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Mr Richard McMahon
Acting Senior Manager
Deposit-takers, Credit and Insurers
ASIC
Level 5
100 Market Street
Sydney
NSW 2000

Dear Mr McMahon

Consultation Paper 260 - Submission

I am writing to give you my comments on Consultation Paper 260 "*Further measures to facilitate innovation in financial services*".

I am currently a Responsible Manger on AFSLs held by:

- Elanor Funds Management Limited (AFSL # 398196)
- RateSetter Australia RE Limited (AFSL # 449176)
- Hines (Aus) Investment Services Limited (AFSL # 458703)

I was previously a Responsible Manger on the AFSL held by Celsius Investments Australia Limited (AFSL # 328438)(wholly owned by Barlcays Bank).

The comments in this letter are mine alone and not attributable to those AFS licensees.

I have read CP 260.

I support the concept of Australia facilitating innovation in financial services.

However my main comment in this submission is that I disagree with plans *“to allow new Australian businesses to “test” certain financial services for six months without holding an AFSL”*.

I am not sure how well this has been thought out and fear that this has the potential to embarrass ASIC and the wider AFSL industry.

There are several concerns:

- ASIC has a well-established and successful process (set out in the useful Licensing Kit) to carefully review both applicants for an AFSL and their RMs and I cannot see justification to move from this;
- It would be grossly unfair to those many AFSL holders who have painstakingly applied for their licences in the long established way (and delayed planned transactions pending grant of their AFSL);
- an industry wide exemption could lead to many new businesses believing they have “free rein” to “test” financial services for a period and indeed justifiably believe that this is encouraged by ASIC;
- there are likely to be some new entrants who would not satisfy your normal rigorous review if they were applying for an AFSL from scratch and they may cause ASIC and the licensing process long term embarrassment and reputation risk for what they do in the 6 months;
- It may diminish the importance of being a Responsible Manager and that would be disappointing for existing and future RMs;
- what happens when 6 months is up if they are midway through a transaction? Will you fast track their application for a full AFSL to the detriment of those licensees who have gone through the normal process?
- 6 months seems an arbitrary period to select;
- What restrictions would there be on people having multiple new companies “testing” the new regime multiple times?; and
- Managing what is going on during this period may take important resources away from the crucial Licensing team and extend existing timelines for standard AFSL applications and AFSL variations.

Thank you for inviting submissions.

I look forward to reading other submissions.

Yours sincerely

A handwritten signature in cursive script that reads "Robert C Bishop". The letters are fluid and connected, with a prominent initial 'R'.

Robert C Bishop