



ASIC

Australian Securities & Investments Commission

ASIC's Regtech Showcase – Opening remarks

*A speech by Greg Medcraft, Chairman,
Australian Securities and Investments Commission*

*ASIC's Regtech Showcase, Sydney
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Introduction

Good morning everyone.

Thank you all for coming along to ASIC's Regtech Showcase event here in Sydney today.

I want to say a thank you to our host KPMG for providing the space – and the view - might I add. And I also want to thank all of our presenters, commentators and panellists.

In the spirit of regtech and fintech, this showcase has come together very quickly, partially informed by the feedback to our consultation paper on ASIC's current and proposed approach to regtech and the work of our Innovation Hub.

It's great to see so much of the sector represented here, as well as our fellow regulators, academics and other stakeholders.

Since we established our Innovation Hub, I have been attending as many of ASIC's regtech and fintech meet-ups and events as I can.

I am continually impressed by the inventiveness of the new ideas, and the enthusiasm and passion behind the work being done.

I have been really excited about this event, and am very much looking forward to seeing what comes out of today's exploration.

I have to get on a plane to Sri Lanka this afternoon. So, I am afraid I can't stay for the whole day – but I am looking forward to hearing about the event from the ASIC team on my return.

I'll keep my remarks brief as the real purpose of today is to explore regtech through two lenses:

1. regulatory reporting; and
2. meeting regulatory obligations.

But before we get to that, I wanted to say a few words to set the scene from ASIC's perspective. Specifically, I want to talk about three things:

1. What we see as ASIC's role in relation to regtech
2. Your feedback on what we are doing
3. The path forward.

ASIC's role in regtech

So what is ASIC's role, and indeed the role for the regulator generally, in this fast moving environment?

It is not clear where technology will take us. But I can confidently say that remaining open, engaged and globally connected will mean the best chance for regtech to bring benefits to all participants in the financial sector.

When it comes to regtech, we take our role as a connector and a facilitator very seriously and today is an example of this.

In addition to events like this and our work with other domestic regulators, we are taking every opportunity to engage globally on the work that is going on in this space at ASIC and indeed in Australia at large.

As a leading regulator in the financial technology space, we will continue to engage with the International Monetary Fund, the World Economic Forum and the Financial Stability Board to contribute to the global discourse on fintech and regtech.

I know I'm not alone when I say to you that I really do believe that Australia is taking a leading role in the development and deployment of regtech solutions and we will continue to champion this domestically and internationally.

Your feedback on what we are doing

On Friday, we released details of the feedback we received on our regtech consultation paper.

To recap, we sought feedback on:

1. our overall approach to innovation;
2. establishing a new regtech liaison group;
3. our continued use of technology trials; and
4. hosting a problem-solving event.

We are grateful to those of you who took the time to send us your comments and feedback.

The diverse range of feedback we received was very valuable in helping us to consider the interests and needs of various stakeholders in the regtech industry.

The responses were generally supportive of ASIC's Innovation Hub and our current and proposed future approach to regtech.

However, there were some differences of opinion regarding the specifics of our proposed new initiatives:

- In particular, related to the regtech liaison group and problem-solving event – which is in part why we landed on a showcase format today, rather than a 'hackathon'.

The key themes that emerged from the responses included:

1. In general, respondents were in favour of ASIC being ambitious in the regtech area – hopefully today is an example of us embracing this feedback;
2. There are complex questions of policy surrounding our role in the area of regtech, and we must consider how best to balance our roles as a regulator and as a technology user; and
3. We should consider where and how we might be able to improve transparency across the board in our engagement with the regtech industry.

In many ways, we consider that the proposals that were outlined in our consultation paper represent the starting point of an evolving approach to regtech.

By implementing our proposed initiatives, we hope to learn more about how we can promote collaboration and encourage the development of the regtech sector.

The path forward

The proposals that were outlined in our consultation paper are the starting point of a continually evolving approach to regtech.

Looking to the future, we aim to have the first meeting of the Regtech Liason Group by the end of the year.

We want your input on the shape and role of this group – so please share ideas today. There are many ways you can give us feedback on that today – including on the whiteboards in the room.

I am sure that there will be lots of great ideas and interesting discussions that will come out of today.

And so, to get the ball rolling, I want to share one of my ideas:

- I think we need a new approach to 'compliance', including a new term – the word does not inspire the right kind of culture or attitude.
- I wonder whether the increased use of regtech might help to provoke a change in culture and attitude, and possibly also the terminology.
- Regtech could make risk and compliance much more glamorous than it is now. That is your challenge for today.

On that note, I'll wrap things up.

Thank you and I'll hand over to Mark to introduce the first session.