



ASIC
Australian Securities &
Investments Commission

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and Investments Commission**

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6 September 2018

[Address Block]

By email: [email address]

Dear Ms Contact,

Invitation to nominate for ASIC's recurrent managed funds data collection Pilot Group — Please respond by Friday 28 September 2018

Invitation to join pilot group

ASIC invites [organisation] to join a pilot group that will be responsible for the design and execution of a pilot project to collect recurrent data on managed funds. Participation in the pilot is voluntary, however, ASIC would welcome your organisation's involvement.



If your organisation wishes to participate in the pilot, please respond via email to datacollection@asic.gov.au by Friday 28 September 2018

ASIC intends hold the first workshop of the pilot group in October with the pilot currently expected to run until around the middle of 2019.

ASIC's recurrent managed funds data collection project

ASIC has started a project to establish a series of recurrent data collections from the financial services sector. ASIC believes that there is scope for recurrent data to improve the regulation of parts of the financial services sector and to improve the evidence base for regulation. During 2018–19 ASIC will be running two recurrent data collection pilots designed to, firstly, test the feasibility and benefits of recurrent data collection, and secondly, build and mature the underlying process and procedures necessary to support this work. One of these pilots is a managed funds data pilot.

Following these pilots, and after evaluation of the results and process, ASIC will move to formal public consultation on the recurrent managed funds data collection. ASIC anticipates the likely outcome of this consultation is that some form of recurrent data collection will become mandatory across industry.

With better recurrent data on managed funds ASIC expects its ability to regulate would be enhanced through a greater understanding of the managed funds market

and areas of risk to target future regulatory work. ASIC's access to managed funds data currently lags global regulatory best practice.

ASIC will also be making information about the recurrent data collection project and pilots on a dedicated webpage in the near future.

The basis for selecting [organisation] to join the pilot group is to ensure there is a diversity of fund managers with different sizes, customer bases and business models. This will enable ASIC to use the pilot data request to obtain feedback based on an understanding of the capacity or ability of a range of managed funds to respond.

ASIC's external reference groups to assist the project

While the pilot group will be responsible for the details of the pilot, ASIC will also be guided by advice from the two industry engagement and governance groups we have formed to support our recurrent data collection work. These groups are:

- › the *Strategic Stakeholder Reference Group*. A body of senior industry representatives who will give ASIC high-level advice on its data collection efforts and will help facilitate ASIC's engagement approach.
- › the *Implementation Working Group* which will have a specific focus on guiding ASIC on data and project management issues that are common across all recurrent data collection pilots.

Coordination with APRA

APRA is currently engaged in a project to replace their Direct to APRA ('D2A') data collection tool. ASIC and APRA have agreed to work closely together to minimise regulatory burden. To ensure close coordination, APRA and ASIC have established observers in each other's engagement groups. ASIC will also work closely with other relevant regulators.

What participation in the pilot group involves

The pilot group will lead the development of the data dictionary for the pilot. This collaborative data development work will help ASIC achieve its regulatory goals at the lowest possible cost to industry.

ASIC expects involvement in the pilot group will require the following:

- › Participation in a two-hour pilot kick off workshop in October with other participants to among other things settle an approach to the operation of the pilot group;
- › Regular (estimated monthly) group meetings of approximately 1.5 hours to coordinate progress, share observations or challenges;
- › Collaboration with ASIC and other pilot group members to draft and agree on the pilot data dictionary;
- › Working closely with ASIC on a bilateral basis to confirm organisational understanding of the proposed data dictionary;
- › Access to and involvement of relevant organisational data custodians and managers; and

- › Submission of pilot data to ASIC (which may include resubmission of data or responding to questions from ASIC over the submitted data).

There may be the following benefits in participating in the pilot group:

- › Ability to help guide the development of the data dictionary;
- › Feedback on submitted data quality and conformance; and
- › Ability to guide long term development of the recurrent managed funds data collection.

Response to ASIC

ASIC would welcome a response from [organisation] whether your organisation would like to join the pilot group.

In the event [organisation] does wish to join the pilot, please nominate a primary contact. This individual should be quite familiar with your organisation's data systems and enterprise architecture and have good links to internal subject matter experts.

If you have any questions about this letter, please contact datacollection@asic.gov.au

Yours sincerely

[signed]

Jane Eccleston
Senior Executive Leader
Investment Managers & Superannuation