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23 April 2019

Australian Securities & Investments Commission

BY ELECTRONIC MAIL: [policy.submissions@asic.gov.au](mailto:policy.submissions@asic.gov.au)

Dear Sirs,

**RE: COST RECOVERY IMPLEMENTATION STATEMENT (CRIS)  
FEEDBACK REQUEST**

We take this opportunity to provide feedback in relation to CRIS.

By way of background, and for ease of reference, we enclose the following;

- Our initial submission to Treasury dated 25 November 2016 in relation to the Proposed Industry Funding Model for the Australian Securities and Investments Commission (ASIC).
- Our submission to ASIC dated 31 October 2017 in relation to CRIS.


In summary, our position has not changed.

- The current system lacks transparency, and minimal disclosure is provided by ASIC in allocation of costs to "overhead categories". Such concerns were detailed in our earlier submission.
- We reiterate that as registered liquidators, creditors, and rightly so, are provided with significant detail in respect of remuneration sought. In contrast, ASIC appears to follow the mantra "Do as I say, not as I do".
- What is concerning is the significant overhead cost allocated to IT support in circumstance where the ASIC Registered Liquidator's Portal is often "down". This results in significant man hours lost and not recoverable, when trying to lodge documents within the legislative time frame, followed by having to call ASIC to get a receipt number, to verify the fault to avoid a late lodgement fine.
- ~~No feedback has been provided in respect of whether the system in place is achieving its purpose i.e small firms require greater regulation and therefore the cost structure is weighted to be more significant to small practices.~~
- In the first year of operation, is this reflective of the facts? What analysis has been done and will the analysis be published?

23 April 2019  
Dye & Co Pty Ltd

- Given the drive to harmonisation between corporate and personal insolvency, is it intended that the CRIS be changed to a realisation fees basis, similar to bankruptcy, as this would appear to be a more efficient way to levy the indemnity?
- It appears disproportionate that the levy applied to 700 registered liquidators totalled in excess of \$7,000,000, with the costs to regulate 4,453 Auditors less than \$1,000,000.
- Registered Liquidators appear to have to bear the costs of educating creditors, albeit that a significant number of complaints by consumers are not taken further, having found to have no merit and relate to a lack of understanding of the process.
- Initial disclosures also highlighted that costs associated with dealing with unregulated pre insolvency advisors was included in the levy payable by registered liquidators. This, should not be a cost directly attributed to registered liquidators.
- We continue to be of the view, that should direct funding to regulate the industry be required, the most efficient way to do so is by way of a nominal fee added to company annual return statements. Alternatively, directors should be required to do a simple online course for a nominal fee to educate them of their duties, responsibilities, offences and consequences.
- Education as detailed above will provide for a more knowledgeable marketplace, which in turn should increase compliance and reduce costs.
- It should be noted that to pay a levy of an unknown amount seven months after the financial year end and not when it is incurred creates a cost burden that is difficult to budget for.
- It should also be noted that registered liquidators already do a significant amount of unfunded investigations which assist ASIC in regulating the marketplace and already contribute significantly to funding the system.

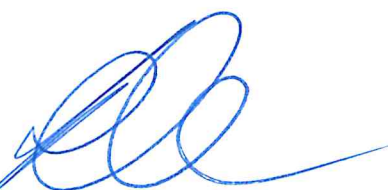
Yours faithfully,



NICHOLAS GIASOUMI  
REGISTERED LIQUIDATOR



SHANE LESLIE DEANE  
REGISTERED LIQUIDATOR



ROGER DARREN GRANT  
REGISTERED LIQUIDATOR

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