

From: Lee Shannon
Sent: Tuesday, 23 April 2019 7:19 PM
To: policy.submissions <policy.submissions@asic.gov.au>
Subject: Feedback regarding the draft CRIS for FY 2019

Dear ASIC,

Epoch is grateful for the opportunity to respond to the draft CRIS for 2018/19. We support the idea that financial industry participants must pay a fair share of ASIC's funding requirements for industry regulation, and we appreciate the intent to create transparency regarding ASIC's costs.

Our experience of the first year of application of industry levies is that although ASIC's budgets were transparent, there was little visibility of the costs incurred by exchange participants. The final implementation statement was not published until near to the end of the financial year and invoices were not issued until six months later. This makes it very difficult for a firm to accrue an accurate amount for the levy.

Unfortunately, we have not seen any improvement this year. In fact, the change of methodology for large futures exchange participants from a transactions-based metric to a lots-based metric means that our indicative levy for FY19 is more than double the levy invoiced for FY18. This is despite the reduction in budgeted costs to regulate large futures exchange participants from \$5.864mm to \$3.827mm. We are unable to confirm whether the parameters of the indicative levy for large futures exchange participants are inaccurate or if the methodology change has actually resulted in a huge and unexpected change in the levy for our firm this year.

We would appreciate a response from ASIC on this issue, and ask that ASIC takes steps to ensure that the levy that is charged to each firm is both fair and predictable.

Regards,

Lee Shannon

Compliance Manager

A Level 2, 44 Whitfield Street, Fitzrovia, London W1T 2RH, UK

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