



CRIS: ASIC INDUSTRY FUNDING MODEL (2024–25)

This document is part of [ASIC's 2024–25 CRIS](#). It should be read in conjunction with the other documents that make up the CRIS, including the key terms.

C Deposit taking and credit sector

Key points

This document outlines:

- our work during 2024–25 to regulate the deposit taking and credit sector—for our ongoing regulatory activities, see paragraphs 2–6, and our strategic work, see Table 1;
- the estimated levies to recover our costs—for a summary of the estimated levies for each subsector, see Table 2; and
- more detailed breakdowns of estimated costs for each subsector—see paragraphs 11–16.

The estimated levies are a guide only. The final levies will be based on our actual cost of regulating each subsector in 2024–25.

Overview of the deposit taking and credit sector

1 The deposit taking and credit sector consists of:

- (a) credit providers;
- (b) small and medium amount credit providers;
- (c) credit intermediaries;
- (d) deposit product providers;
- (e) payment product providers; and
- (f) margin lenders.

Our ongoing regulatory work

2 We administer Australia's consumer credit laws to improve consumer outcomes. We do this by ensuring credit licensees, such as lenders and brokers, comply with their conduct and disclosure obligations. These

obligations include general conduct requirements—such as the obligation to engage in credit activities efficiently, honestly and fairly—and specific requirements intended to reduce the extent to which consumers are provided with products that do not meet their needs. The consumer credit laws also contain requirements that relate to conduct and consumer outcomes after a loan has been obtained. Through the *Australian Securities and Investments Commission Act 2001* (ASIC Act) we also administer laws that protect consumers from unfair contract terms, misleading conduct and unconscionable practices.

- 3 We also monitor the compliance of Australian financial services (AFS) licensees (e.g. authorised deposit takers and payment product providers) with their obligations and other requirements under the *Corporations Act 2001* (Corporations Act). When we identify a potential harm or breach of the law, we determine the most appropriate response.
- 4 We use the full suite of our regulatory tools ([ASIC Annual Report 2023–24, Chapter 2](#)) to promote integrity in this sector to bring about sound consumer outcomes. We assess and respond to compliance and misconduct issues through proactive or reactive surveillances. Where appropriate, we take enforcement action to address misconduct (such as predatory lending or unlicensed conduct). This action may span several years. We use our product intervention power when there is a risk of significant consumer detriment, and apply intensive supervision to institutions with the greatest potential impact on consumers and markets.
- 5 The level of our regulatory activity in each subsector of the deposit taking and credit sector depends on the nature of the services offered as well as the scale of operations. For example, those with significant customer bases present a greater potential risk to consumers, investors and markets, and may therefore require more regulatory attention.
- 6 We work closely with the Australian Government and other regulatory agencies (particularly the Australian Prudential Regulation Authority (APRA)) to achieve a coordinated approach to regulation. This includes supporting and advising the Government on new reforms. Through engagement with industry, we influence our regulated population to improve compliance and minimise consumer harm.

Strategic work in this sector

- 7 ASIC's [Corporate Plan 2024–25](#) outlines our strategic priorities for the next four years and our planned actions for 2024–25.

- 8 Our strategic priorities inform our [2025 enforcement priorities](#) which communicate our intent to industry and indicate where we will direct our resources and expertise.
- 9 Table 1 outlines our strategic work in the deposit taking and credit sector in 2024–25.
- Note: In Table 1, the strategic work may apply to the listed relevant subsectors, depending on prevailing circumstances. Our key actions for some strategic work can apply to multiple sectors and subsectors, particularly for our strategic priorities. This means that there may be other relevant sectors and subsectors for this work outside the deposit taking and credit sector.

Table 1: Strategic work in the deposit taking and credit sector (2024–25)

Key activity	Key actions	Relevant subsector
Addressing misconduct against vulnerable consumers and systemic non-compliance	<ul style="list-style-type: none"> Address misconduct that has the potential to cause significant consumer harm, particularly conduct that targets vulnerable consumers Act against systemic non-compliance by large financial institutions that results in widespread consumer harm 	All deposit taking and credit subsectors
Acting against credit misconduct	<ul style="list-style-type: none"> Take action against credit misconduct that exploits financially vulnerable consumers. This includes predatory lending, high-cost credit, and conduct by unlicensed or 'fringe' entities Examine compliance with the small amount credit contract and consumer lease requirements that commenced in June 2023 (see Report 805 <i>Falling short: Compliance with the small amount credit contract obligations</i> (REP 805)) and take enforcement action to ensure consumers benefit from these new requirements Review the compliance practices of debt management firms, including a targeted review of the policies, practices and procedures of high-risk firms 	Credit providers, small and medium amount credit contract providers, credit intermediaries
Institutional supervision	<ul style="list-style-type: none"> Conduct continuous monitoring and supervision of the largest financial institutions that have the greatest potential impact on consumers and markets. We seek to improve consumer outcomes through: <ul style="list-style-type: none"> collecting and analysing a range of governance and risk management related information; and regular structured engagements with senior executives 	Credit providers, deposit product providers

Key activity	Key actions	Relevant subsector
Contributing to the Council of Financial Regulators (CFR) review into small and medium banks	<ul style="list-style-type: none"> Engage with CFR agencies and the Australian Competition and Consumer Commission (ACCC) and consult with key stakeholders to provide Government with options on improving competition in the banking sector 	Deposit product providers
Disrupting and deterring misconduct involving scams	<ul style="list-style-type: none"> Publish findings on a report into the anti-scams practices of non-major banks urging them to strengthen anti-scam practices Support the Australian Government and ACCC's National Anti-Scam Centre's anti-scams work, including to operationalise and implement the Scams Prevention Framework regime that commenced in February 2025 Work with an external provider to identify and take down investment scams and phishing websites Work with other regulators and law enforcement agencies, both domestic and overseas, to coordinate investment scam disruption strategies Develop communications to support consumers, including education and awareness resources and publishing alerts on Moneysmart's Investor Alert List Take enforcement action to deter scams and in relation to AFS licensees' failures to adequately protect customers from scams 	Deposit product providers
Addressing potential consumer harms in car financing	<ul style="list-style-type: none"> Conduct a compliance review into the motor vehicle finance sector, including lenders, brokers and other intermediaries. Our aim is to drive better consumer outcomes, particularly for those living in regional and remote locations, including First Nations communities Take action, including enforcement action, against car-financing misconduct, particularly misconduct that affects vulnerable consumers and First Nations peoples. This includes working closely with the ACCC and other regulators 	Credit providers, medium amount credit providers, credit intermediaries
Contributing to the development of a licensing regime for low cost credit contract (LCCC) providers	<ul style="list-style-type: none"> Work with Treasury to support the implementation of the regulatory framework for LCCC providers (including buy now pay later (BNPL) providers) Consult on regulatory guidance to help providers comply with the new regime. This has involved liaising with stakeholders to discuss and clarify aspects of the regime including, for example, the transitional arrangements and the application of the regime to pre-commencement contracts 	Credit providers

Key activity	Key actions	Relevant subsector
Contributing to the development of a licensing regime for payments providers	<ul style="list-style-type: none"> Engage with Treasury and other relevant regulatory agencies to support the development of legislation that will require payment service providers to be licensed 	Payment product providers
Sustainable finance practices	<ul style="list-style-type: none"> Provide regulatory guidance to help entities comply with the Australian mandatory sustainability reporting obligations Engage with industry and conduct targeted surveillance to promote enhanced sustainability-related disclosures and governance practices Take action against misconduct, including greenwashing by entities Engage with peer domestic and international regulators (such as the Council of Financial Regulators Climate Working Group and the International Organization of Securities Commissions (IOSCO) Sustainable Finance Task Force) on sustainable finance developments 	All deposit taking and credit subsectors
Cyber and operational resilience	<ul style="list-style-type: none"> Conduct targeted surveillances to monitor cyber and operational resilience among our regulated entities Engage with industry to promote good practices and support initiatives that enhance cyber resilience Develop supervisory approaches for emerging operational risks, including artificial intelligence Partner with other regulators to harmonise regulatory approaches and action 	All deposit taking and credit subsectors
Monitoring digital assets, tokenisation and decentralised finance	<ul style="list-style-type: none"> Support ASIC's work to monitor and engage with regulated entities on digital assets, tokenisation and decentralised finance Support the updates to guidance on the regulatory perimeter and encourage preparation for the proposed regulation of digital asset platforms Take enforcement action to protect consumers from harms associated with digital assets, including those that mimic traditional products but seek to circumvent regulation 	Payment product providers
Design and distribution obligations	<ul style="list-style-type: none"> Take action against poor product design and distribution practices to reduce consumer harm and improve consumer outcomes 	Deposit product providers, credit providers, small and medium amount credit contract providers

Key activity	Key actions	Relevant subsector
Publishing internal dispute resolution (IDR) data	<ul style="list-style-type: none"> Publish observations from the first year of IDR data reported by all firms and prepare to publish firm-level IDR data in 2025 	All deposit taking and credit subsectors
Ensuring the objectives of the reportable situations regime are met	<ul style="list-style-type: none"> Conduct a targeted surveillance of AFS and credit licensees that have not lodged any reportable situations or have low numbers of reportable situations (compared to peers) and, where appropriate, take compliance and enforcement action Develop a framework for the ongoing publication of reportable situations lodged Prepare to publish firm-level reportable situations data in 2025 	All deposit taking and credit subsectors
Acting against misconduct that affects small businesses	<ul style="list-style-type: none"> Take action, including enforcement action, against persons whose actions affect small businesses. This includes action in relation to the promotion and supply of high-risk or unsuitable products 	All deposit taking and credit subsectors
Monitoring the use of AI by licensees	<ul style="list-style-type: none"> Review how retail financial services and credit entities use AI and advanced data analytics, and assess their risk management and governance processes. Publish Report 798 <i>Beware the gap: Governance arrangements in the face of AI innovation</i> (REP 798) which calls on licensees to act to ensure risk management and governance arrangements enable them to deploy AI safely, responsibly and in compliance with existing obligations Contribute to the Australian Government's development of AI-specific regulation 	All deposit taking and credit subsectors

Summary table of estimated industry funding levies for deposit taking and credit sector

Table 2: Estimated industry funding levies for the deposit taking and credit sector

Subsector	Definition	Estimated cost recovery amount	Number of entities	Levy metric and description	Minimum levy	Graduated levy threshold	Estimated levy
Credit providers	Entities that hold a credit licence that authorises them to engage in credit activities as a credit provider	\$34.352m	1,013 (includes small and medium amount credit providers)	Credit provided in the financial year The gross amount of credit provided by the entity in the financial year under credit contracts (other than small and medium amount credit contracts)	\$2,000	\$100m	Minimum levy of \$2,000 plus \$43.42 per \$1m of credit provided above \$100m (for other than small and medium amount credit contracts)
Small and medium amount credit providers	Entities that: <ul style="list-style-type: none"> hold a credit licence authorising them to engage in credit activities as a credit provider; and provide credit under small or medium amount credit contracts (see Note 1 below) 	\$4.942m	196 (see Note 2 below)	Credit provided in the financial year The gross amount of credit provided under small and medium amount credit contracts	Not applicable	No threshold	\$37.34 per \$10,000 of credit provided under small and medium credit contracts
Credit intermediaries	Entities that hold a credit licence authorising them to engage in credit activities other than as a credit provider	\$6.051m	4,137 (44,381 credit representatives)	Credit representatives The number of credit representatives (within the meaning of the National Credit Act) that the entity has at the end of the financial year	\$1,000	No threshold	Minimum levy of \$1,000 plus \$43 per credit representative

Subsector	Definition	Estimated cost recovery amount	Number of entities	Levy metric and description	Minimum levy	Graduated levy threshold	Estimated levy
Deposit product providers	Entities that hold an AFS licence with an authorisation to deal in a financial product by issuing deposit products	\$6.479m	178	Total deposits The total value of deposits held at the end of the financial year in deposit products issued by the entity (whether the deposit product was issued in the financial year or an earlier financial year)	\$2,000	\$10m	Minimum levy of \$2,000 plus (if the entity's metric exceeds \$10m) \$1.98 per \$1m of total deposit liabilities above \$10m
Payment product providers	Entities that hold an AFS licence with an authorisation to deal in financial products through which, or through the acquisition of which, non-cash payments can be made	\$5.354m	651	Total revenue from payment product provider activity The total gross revenue received in the financial year in connection with non-cash payment products issued by the entity less expenses incurred during the financial year from dealing in non-cash payment facilities	\$2,000	No threshold	Minimum levy of \$2,000 plus \$8.19 per \$10,000 of total revenue from payment product provider activity
Margin lenders	Entities that hold an AFS licence with an authorisation to deal in a financial product by issuing margin lending facilities during a financial year	\$0.021m	25	Number of days authorised The number of days in the financial year on which the entity holds the prescribed AFS licence authorisation	Not applicable	Not applicable	\$874

Note 1: 'Small amount credit contract' is defined in s5 of the National Credit Act. 'Medium amount credit contract' is defined in s204 of the National Credit Code (at Sch 1 to the National Credit Act).

Note 2: The number of small and medium amount credit providers is based on 2023–24 figures.

Detailed breakdown of estimated costs of regulating each subsector in the deposit taking and credit sector

- 10 We have provided a breakdown of the costs for each subsector in the deposit taking and credit sector. It also includes the cost of regulating the subsector in the previous year. For more information about the actual costs for 2023–24, see [our annual dashboard report and summary of variances](#) on our website.

Credit licensees

Credit providers

- 11 ASIC's cost of regulating the subsector in 2023–24 was \$31.3 million. The estimated cost of regulating the subsector for 2024–25 is \$34.4 million: see Table 3.

Table 3: Estimated costs to regulate credit providers

Expense	Estimated cost
Supervision and surveillance	\$6.153m
Enforcement	\$14.166m
Other regulatory activities	
<i>Industry engagement</i>	\$0.703m
<i>Education</i>	\$0.463m
<i>Guidance</i>	\$0.564m
<i>Policy advice</i>	\$0.799m
Indirect costs	
<i>Commission, legal services and risk management</i>	\$1.310m
<i>Digital, data and technology</i>	\$4.652m
<i>Corporate support</i>	\$2.164m
<i>Property and accommodation services</i>	\$2.762m
Total operating expenditure	\$33.736m
Allowance for capital expenditure	\$0.825m
Less costs funded by own-source revenue	(\$0.208m)
Adjustment for prior year under/(over) recovery	Nil
Total levy to recover costs	\$34.352m

Small and medium amount credit providers

- 12 ASIC's cost of regulating the subsector in 2023–24 was \$7.1 million. The estimated cost of regulating the subsector for 2024–25 is \$4.9 million: see Table 4.

Table 4: Estimated levies to recover costs to regulate small and medium amount credit providers

Expense	Estimated cost
Supervision and surveillance	\$0.568m
Enforcement	\$2.601m
Other regulatory activities	
<i>Industry engagement</i>	\$0.093m
<i>Education</i>	\$0.056m
<i>Guidance</i>	\$0.053m
<i>Policy advice</i>	\$0.060m
Indirect costs	
<i>Commission, legal services and risk management</i>	\$0.156m
<i>Digital, data and technology</i>	\$0.561m
<i>Corporate support</i>	\$0.288m
<i>Property and accommodation services</i>	\$0.334m
Total operating expenditure	\$4.770m
Allowance for capital expenditure	\$0.104m
Less costs funded by own-source revenue	(\$0.001m)
Adjustment for prior year under/(over) recovery	\$0.069m
Total levy to recover costs	\$4.942m

Credit intermediaries

- 13 ASIC's cost of regulating the subsector in 2023–24 was \$2.9 million. The estimated cost of regulating the subsector for 2024–25 is \$6.1 million: see Table 5.

Table 5: Estimated levies to recover costs to regulate credit intermediaries

Expense	Estimated cost
Supervision and surveillance	\$1.078m
Enforcement	\$2.293m

Expense	Estimated cost
Other regulatory activities	
<i>Industry engagement</i>	\$0.170m
<i>Education</i>	\$0.079m
<i>Guidance</i>	\$0.096m
<i>Policy advice</i>	\$0.093m
Indirect costs	
<i>Commission, legal services and risk management</i>	\$0.246m
<i>Digital, data and technology</i>	\$0.779m
<i>Corporate support</i>	\$0.429m
<i>Property and accommodation services</i>	\$0.466m
Total operating expenditure	\$5.730m
Allowance for capital expenditure	\$0.146m
Less costs funded by own-source revenue	(\$0.001m)
Adjustment for prior year under/(over) recovery	\$0.177m
Total levy to recover costs	\$6.051m

Deposit product providers

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ASIC's cost of regulating the subsector in 2023–24 was \$4.4 million. The estimated cost of regulating the subsector for 2024–25 is \$6.5 million: see Table 6.

Table 6: Estimated levies to recover costs to regulate deposit product providers

Expense	Estimated cost
Supervision and surveillance	\$2.492m
Enforcement	\$2.788m
Other regulatory activities	
<i>Industry engagement</i>	\$0.259m
<i>Education</i>	\$0.116m
<i>Guidance</i>	\$0.134m
<i>Policy advice</i>	\$0.140m

Expense	Estimated cost
Indirect costs	
<i>Commission, legal services and risk management</i>	\$0.312m
<i>Digital, data and technology</i>	\$1.128m
<i>Corporate support</i>	\$0.580m
<i>Property and accommodation services</i>	\$0.671m
Total operating expenditure	\$8.621m
Allowance for capital expenditure	\$0.201m
Less costs funded by own-source revenue	(\$2.349m)
Adjustment for prior year under/(over) recovery	\$0.007m
Total levy to recover costs	\$6.479m

Payment product providers

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ASIC's cost of regulating the subsector in 2023–24 was \$5.2 million. The estimated cost of regulating the subsector for 2024–25 is \$5.4 million: see Table 7.

Table 7: Estimated levies to recover costs to regulate payment product providers

Expense	Estimated cost
Supervision and surveillance	\$1.279m
Enforcement	\$1.463m
Other regulatory activities	
<i>Industry engagement</i>	\$0.170m
<i>Education</i>	\$0.075m
<i>Guidance</i>	\$0.311m
<i>Policy advice</i>	\$0.420m
Indirect costs	
<i>Commission, legal services and risk management</i>	\$0.216m
<i>Digital, data and technology</i>	\$0.779m
<i>Corporate support</i>	\$0.370m
<i>Property and accommodation services</i>	\$0.456m
Total operating expenditure	\$5.539m

Expense	Estimated cost
Allowance for capital expenditure	\$0.136m
Less costs funded by own-source revenue	(\$0.385m)
Adjustment for prior year under/(over) recovery	\$0.065m
Total levy to recover costs	\$5.354m

Margin lenders

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ASIC's cost of regulating the subsector in 2023–24 was \$4,517. The estimated cost of regulating the subsector for 2024–25 is \$20,895: see Table 8.

Table 8: Estimated levies to recover costs to regulate margin lenders

Expense	Estimated cost
Supervision and surveillance	\$0.006m
Enforcement	\$0.001m
Other regulatory activities	
<i>Industry engagement</i>	\$0.002m
<i>Education</i>	\$0.000m
<i>Guidance</i>	\$0.001m
<i>Policy advice</i>	\$0.001m
Indirect costs	
<i>Commission, legal services and risk management</i>	\$0.001m
<i>Digital, data and technology</i>	\$0.004m
<i>Corporate support</i>	\$0.002m
<i>Property and accommodation services</i>	\$0.002m
Total operating expenditure	\$0.020m
Allowance for capital expenditure	\$0.001m
Less costs funded by own-source revenue	(\$0.000m)
Adjustment for prior year under/(over) recovery	Nil
Total levy to recover costs	\$0.021m