



ASIC
Australian Securities &
Investments Commission



Licensing and professional registration activities: 2021 update

Report 700 | September 2021

About this report

This report is for AFS licensees, Australian credit licensees, lawyers, application service providers and professionals working in financial services that are interested in the licensing and professional registration functions of ASIC.

The report outlines key issues, new and proposed changes to licensing processes, and other work we have undertaken that affects licensees. It also provides information and data on licensing and registration applications from the 2020–21 financial year.

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About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents: consultation papers, regulatory guides, information sheets and reports.

Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations. Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

Overview

The purpose of this report is to provide an update on ASIC's licensing and professional registration activities and our work in maintaining the standards of financial services and credit activities. It outlines:

- › information on licensing and professional registration applications from the 2020–21 financial year (see pages 4–5)
- › key issues relating to our licensing activities (see pages 6–8)
- › changes to Australian financial services (AFS) and credit licensing (see pages 9–10)
- › other work we have undertaken that affects licensees (see pages 11–12).

Licensing and professional registration applications 2020–21

In the 2020–21 financial year:

- › we received significantly more new and variation AFS and credit licence applications (1,883) compared to the previous financial year (1,346). The increase relates mostly to requirements for new persons or entities to hold an AFS or credit licence or additional authorisations
- › we continued to meet most of our service charter timeframes despite the significant increase in applications received
- › more AFS and credit licence applications were withdrawn or refused – a total of 392 against 365 in the previous financial year
- › we achieved 797 additional regulatory outcomes for AFS and credit licences (e.g. imposition of a key person condition or changes to authorisations), compared to 741 in the previous financial year.

The impact of COVID-19

The ongoing COVID-19 pandemic has resulted in changes to some of our assessment processes (see page 6). We continue to receive and assess applications in a timely way, and we remain committed to responding flexibly during these times.

[ASIC's Corporate Plan 2021–25](#) (August 2021) outlines key trends in the regulatory environment shaping our strategic actions in the year ahead.

Legislative reforms

Recent regulatory changes have resulted in requirements for new persons or entities to hold an AFS or credit licence. These persons and entities include:

- › foreign financial services providers
- › litigation funding scheme operators
- › insurance claims handling and settling services
- › superannuation trustees
- › debt management services firms.

We have devoted additional resources to assisting these new applicants and to reviewing their applications.

The licensing of many of these persons and entities will continue in 2021–22.

For more information see pages 9–10.

Licensing and registration applications: July 2020 to June 2021

Our licensing and professional registration functions provide an important gatekeeping role to the financial services and credit industry. We apply a risk-based approach to assessment, devoting more resources to assessing complex and higher-risk applications to ensure only suitable persons and organisations are licensed and registered.

Summary of our performance in 2020–21

In the 2020–21 financial year:

- › we received 1,883 AFS and credit licence applications (new and variation)
- › we granted 995 AFS and credit licence applications
- › we finalised 392 AFS and credit licence applications that were not approved – these were mostly withdrawn or rejected for lodgement, with one refused after hearing
- › we finalised 50% of AFS licence applications within 93 days, 70% within 145 days and 90% within 251 days
- › we finalised 50% of credit licence applications within 14 days, 70% within 44 days and 90% within 110 days
- › we registered 96 company auditors, 21 applicants withdrew and 1 application was refused
- › we registered 59 approved SMSF auditors, received withdrawal requests from 5 applicants and refused 2 applications
- › the liquidator registration committee registered 31 liquidators and refused to register eight applicants.

See Figure 1 and Appendices 1 and 2 for further details on licensing applications, including the number of applications assessed, additional regulatory outcomes imposed, and the number of licensees, auditors and liquidators on ASIC's register as at 30 June 2021.

Our performance against the service charter

The [ASIC service charter](#) sets out the standards that ASIC aims to achieve. In relation to our licensing function, we aim to decide whether to grant or vary an AFS licence or credit licence within 150 days of receiving a complete application in at least 70% of cases, and within 240 days in at least 90% of cases.

In the 2020–21 financial year we continued to perform strongly against the service charter:

- › We finalised 74% of new AFS licence applications and 75% of AFS licence variation applications within 150 days.
- › We finalised 91% of new AFS licence applications and 88% of AFS licence variation applications within 240 days.
- › We finalised 95% of Australian credit licence applications (both new and variation) within 150 days.
- › We finalised 98% of new credit licence applications and 97% of credit licence variation applications within 240 days.

Summary of licensing and registration outcomes

Figure 1: Summary of licensing and registration outcomes (July 2020 to June 2021)

AFS AND CREDIT LICENCE APPLICATIONS ASSESSED	
741	new AFS licence applications assessed
1,136	AFS licence variation applications assessed
<hr/>	
308	new credit licence applications assessed
263	credit licence variation applications assessed
AFS AND CREDIT LICENCE APPROVALS	
339	new AFS licences granted
119	new credit licences granted
<hr/>	
537	AFS and credit licence variation applications granted
<hr/>	
239	new and variation applications for AFS and credit licences were withdrawn
ADDITIONAL REGULATORY OUTCOMES	
AFS licence applications	
651	additional regulatory outcomes achieved on approved applications (new and variation)
57%	of additional regulatory outcomes involved the imposition of a responsible manager key-person condition
21%	of additional regulatory outcomes relate to granting authorisations that were different from those sought by the applicant
Credit licence applications	
146	additional regulatory outcomes achieved on approved applications (new and variation)
93%	of these additional regulatory outcomes related to a responsible manager key-person condition
PROFESSIONAL REGISTRATION ACTIVITIES	
96	company auditors registered
<hr/>	
59	SMSF auditors registered (6 with tailored conditions)
<hr/>	
31	liquidators registered (14 with tailored conditions)
<hr/>	
29	professional registration applications withdrawn
<hr/>	
11	professional registration applications refused

Note 1: A single application may have more than one regulatory outcome. **Note 2:** For a detailed explanation about how the outcomes of AFS and credit licensing and professional registration applications are determined – including rejection, approval, withdrawal and refusal – see Appendix 1. **Note 3:** Information about [financial market licences](#) is available on ASIC's website.

Key issues

This section outlines key issues related to licence applications and our licensing approach. These issues are particularly relevant for recent applicants or for entities who are planning to apply for a new or varied licence.

Licensing approach during COVID-19 pandemic

Supporting Australia's recovery from the economic impacts of the COVID-19 pandemic has been central to ASICs work across 2020–21 and will continue to be a priority in the year ahead.

We coordinated our COVID-19 response with peer regulators, adjusted our strategic priorities, and provided a range of concessions and targeted interventions that supported business and consumers. We continue to monitor the key vulnerabilities of our regulated population, to protect consumers and provide certainty for markets and business.

Additional requisitions

Between April 2020 and January 2021, we made additional requisitions of all AFS and credit licence applicants to clarify the impact of the COVID-19 pandemic on their businesses. This is because we need to have no reason to believe that an applicant is likely to contravene its licence obligations.

Making the requisitions enabled us to consider whether the applicant had adequate resources available (including financial, technological and human resources) to provide financial services and carry out supervisory arrangements.

In January 2021 we ceased these requisitions on the assumption that applicants had now adapted to operating under COVID-19 pandemic circumstances.

Requirement to commence business

We are aware that the broader economic impact of the COVID-19 pandemic has affected some applicants' intended commencement dates. Although the law enables ASIC to cancel a licence when a licensee has not commenced operation within six months of the licence being granted, as at 30 June 2021 we had extended this period for 27 licensees due to pandemic-related issues.

Notwithstanding our flexibility, we are still examining notifications of commencement and will take action when it is warranted.



Case study: The first licence cancelled for a failure to commence business

In January 2021, we cancelled the Australian credit licence of Australian Golden Securities Pty Ltd on the basis that the licensee did not commence credit activities within the required timeframe.

Australian Golden Securities Pty Ltd held the credit licence from 13 April 2015 but we found that it had not engaged in credit activities by 18 August 2020.

The cancellation of the credit licence followed the cancellation of the entity's AFS licence because of concerns about the entity's failure to meet AFS licence obligations.

Proof documents

We understand that some applicants are continuing to have difficulty obtaining certain proof documents, particularly criminal history and bankruptcy checks in overseas jurisdictions affected by the COVID-19 pandemic. In response, we have accepted

statutory declarations and have not required declarations to be notarised at an Australian consulate.

In addition, we have accepted applications lodged without the required criminal history checks given the unavoidable delays in obtaining some of the checks.

We will continue to adopt a flexible approach in responding to unforeseen impacts of the pandemic, provided that investor protection and market integrity are maintained.

INFO 240 and INFO 244

We encourage all prospective applicants to review [Information Sheet 240](#) *AFS licence applications: Providing information for fit and proper people and certain authorisations* (INFO 240) and [Information Sheet 244](#) *Credit licence applications: Providing information for fit and proper people* (INFO 244).

These information sheets explain how to determine who your fit and proper people are and the documents we require in relation to those people.

Finalisation of some applications is sometimes delayed as applicants have failed to provide necessary people proofs for their fit and proper people.

Applicants should ensure that they have all the necessary people proofs, and have applied for relevant checks, before submitting their licence application.

Alternative evidence for some officers

In January 2021, we updated the information sheets to indicate that we may accept alternative evidence in lieu of some people proofs for officers of controllers of an applicant where the officers are subject to an alternative fit and proper person test in another sufficiently equivalent jurisdiction. If so, it is unnecessary to provide the full range of criminal history, bankruptcy checks and statements of personal information for these individuals.

We will continue to assess all applicants against the legislative requirements including the fit and proper person test. However, where we can identify alternative methods to obtain information that will satisfy our requirements, we are open to making changes to our processes.

The licensing process

Applicants should note that the assessment of licensing applications is not an automatic process; each application is subject to a risk rating and assessed on its particular facts.

When ASIC assesses applications, there are a number of factors that can affect how long it takes for the assessment to take place. These include:

- › the quality of the application, and any additional information requested
- › the complexity of an applicant's business model and the authorisations sought
- › any adverse intelligence in relation to the applicant or its relevant personnel
- › competing ASIC priorities and the volume of applications under consideration.

We will advise applicants when an application has been accepted for lodgement and will keep applicants informed about the progress of their applications during assessment.

You can expect to receive a letter from ASIC once your application has been accepted for lodgement and regular contact from the assigned analyst during the course of the assessment.

As a result of the large number of applications received in May and June 2020 relating to the insurance claims handling and debt management services reforms, the volume of applications under assessment is currently relatively high. This may delay the assessment of some applications in 2021–22.

The importance of full and frank disclosure in an application

It is important that applicants provide complete information that is requested in the application form and accompanying proof documents.

We may request additional information when we believe it is relevant to our assessment. Under the legislation, applicants must provide the information in full and by the date indicated.

If an applicant has not provided the information within the requested timeframe and has not sought an extension that has been agreed to by us, the application may be deemed withdrawn. When an application is deemed to have been withdrawn, ASIC has not been required to make a decision so there are no rights of appeal in such circumstances.

Before we grant a new or varied licence, applicants will be asked to confirm that there has been no material change to their application or to any supporting information, or to provide full details about any material changes (e.g. resignation or notice of resignation of a nominated responsible manager, change in funding arrangements, change or intended change of controllers).

Applicants should be transparent and timely in disclosing any material changes when they arise and not wait until we have made our offer or the final decision on the application.

We must refuse to grant an application if we are satisfied that an application or its supporting documentation:

- › contains information that is materially false or misleading, or
- › omits a material matter.

We expect applicants to act in a transparent manner, and to provide full and frank disclosure in their applications and in all their dealings with ASIC.



Case study: Refusal to grant a licence because of false or misleading information

ASIC received a statement of personal information from an officer of an applicant for a new AFS licence. The statement did not disclose proceedings relating to the officer that included findings of fraud, misrepresentation and dishonesty.

We formed the view that the application should be refused because the statement provided as part of the application was false in a material particular or materially misleading.

The application was withdrawn.

Changes to AFS and credit licensing

There have been some substantive changes to our licence assessment processes since our last report – [Report 671 Licensing and professional registration activities: 2020 update \(REP 671\)](#). This section provides information on these changes.

Enhanced regulatory sandbox

The Australian Government introduced the enhanced regulatory sandbox (ERS) on 1 September 2020. The ERS provides an environment for people to test certain innovative financial services and credit activities without the need to hold an AFS or credit licence.

A person seeking to use the ERS must complete and lodge a notification form with ASIC for the financial service or credit activity that they plan to test. We will review the notification and advise the person within 30 days whether we will exercise our power to exclude the person from use of the ERS.

We have published [Information Sheet 248 Enhanced regulatory sandbox \(INFO 248\)](#) to provide further information to prospective participants in the ERS.

As at 30 June 2021, a total of six participants have been allowed to use the ERS. We have notified 10 persons that they are not able to rely on the ERS because we are not satisfied that they have met one or more of the requirements (fit and proper persons, eligible services, net public benefit test or innovation test).

Further information on how to participate in the ERS is published in INFO 248. We have also provided [information about the participants](#) on our website.

Foreign financial services providers

Since 1 April 2020, foreign financial services providers (FFSPs) from certain jurisdictions seeking to provide financial services to only wholesale clients have been able to apply for an AFS licence under a streamlined licensing assessment process.

In May 2021, the Government announced that it would consult on reforms to the regulatory regime for FFSPs. As a result, we have extended the transitional arrangements from 31 March 2022 to 31 March 2023 in relation to FFSPs that can rely on an exemption from having to hold an AFS licence.

ASIC will continue to assess FFSP applications on a streamlined basis until any changes are made in response to the Government's FFSP reform proposals.

Litigation funding

Under the Corporations Amendment (Litigation Funding) Regulations 2020, the Government removed the exemption for litigation funding schemes that are managed investment schemes to be licensed and registered as managed investment schemes. The change came into effect on 22 August 2020.

As at 30 June 2021, we had licensed seven litigation funding scheme operators and three litigation funding scheme intermediary licensees.

Insurance claims handling

As a result of the *Financial Sector Reform (Hayne Royal Commission Response) Act 2020*, insurance claims handling and settling (claims handling) services are now included in the definition of 'financial service'. Subject to a transitional period for those who applied to ASIC before 30 June 2021, claims handling services can no longer be provided without an AFS licence (or becoming an authorised representative of a transitioning applicant). Transitioning applicants have until 31 December 2021 to obtain a claims handling authorisation.

As at 30 June 2021, we had received a total of 65 applications for a new AFS licence including claims handling authorisations and 236 variation applications from existing licensees to be covered for claims handling.

Further information on insurance claims handling is available in [Information Sheet 253](#) *Claims handling and settling: How to comply with your licence obligations* (INFO 253).

Superannuation trustees

As a result of legislative reforms, all superannuation trustees are now required to hold an AFS licence with authorisations to deal in superannuation and to provide a superannuation trustee service. This requirement has been in place since 1 July 2021.

We are committed to implementing such reforms in a way that minimises the regulatory burden on trustees affected by the changes.

Public offer superannuation trustees that are existing AFS licence holders with an authorisation to deal in superannuation were deemed by the legislative reforms to be authorised to provide a superannuation trustee service from 1 January 2021. We have been working with these trustees and updating the AFS licence register to reflect this authorisation for these licensees. As at 30 June 2021, changes to authorisations had been made to 57 public offer trustee-licensees.

Most non-public superannuation fund trustees that were previously exempt from holding an AFS licence to deal in financial products were required to apply for an AFS licence. As at 30 June 2021, ASIC has offered 8 licences to non-public superannuation trustees to deal in superannuation products, and operate as a superannuation trustee.

Debt management firms

In April 2021, the National Consumer Credit Protection Amendment (Debt Management Services) Regulations 2021 prescribed certain debt management services as credit activities under the National Credit Act.

As a result, providers of debt management services must now hold a credit licence authorisation that covers debt management services. However, transitional arrangements allow a provider who applied for a licence or variation by 30 June 2021 to continue providing services without the relevant authorisation while awaiting the outcome of its licence application.

As at 30 June 2021, we had received a total of 82 applications for authorisations that covered debt management services.

Further information on debt management services and the process for applying for a credit licence is available in [Information Sheet 254](#) *Debt management services: Applying for a credit licence or variation* (INFO 254).

Restructuring practitioners

From 1 January 2021, a new class of registered liquidator has been created who can only undertake a debt restructuring process for companies operating small businesses.

As at 30 June 2021, one person had been registered as a restructuring practitioner.

Further information about the [restructuring practitioner changes](#) is available on our website.

Other licensing-related issues

This section provides information about other issues and regulatory activities that affect AFS and credit licensees.

Reference checking and information sharing protocol

From 1 October 2021, AFS and credit licensees will need to comply with the ASIC *reference checking and information sharing protocol*.

The protocol was released on 20 July 2021, along with guidance documents to help licensees comply with their new reference checking obligations. The documents included [Information Sheet 257](#) *ASIC reference checking and information sharing protocol* (INFO 257).

In finalising the ASIC Protocol, we took into account industry feedback on the proposals in [Consultation Paper 333](#) *Implementing the Royal Commission recommendations: Reference checking and information sharing* (CP 333), which was released in November 2020.

For more information, see [Media Releases 21-180MR](#) and [21-213MR](#).

Internal dispute resolution

From 5 October 2021, licensees with internal dispute resolution obligations will be required to meet new standards set by ASIC when they deal with consumer complaints.

The standards are contained in [Regulatory Guide 271](#) *Internal dispute resolution* (RG 271). RG 271 includes paragraphs that are incorporated as enforceable legislative requirements. These requirements include reduced internal dispute resolution timeframes, enhanced written responses, and the requirement to record all complaints received.

For complaints received *before* 5 October 2021, the standards in [Regulatory Guide 165](#) *Internal and external dispute resolution* (RG 165) will continue to apply. RG 165 will be withdrawn on 5 October 2022.

For more information, see [Media Release 21-213MR](#).

Design and distribution obligations

On 5 October 2021, the design and distribution obligations will commence. The obligations require issuers and distributors of financial and credit products to design, market and distribute products that meet consumer needs.

The design and distribution obligations were enacted in April 2019 and were originally scheduled to commence on 5 April 2021. ASIC deferred the commencement date of the obligations, given the significant impact of the COVID-19 pandemic on the Australian economy, especially on the financial system and consumers.

In December 2020, we published [Regulatory Guide 274](#) *Product design and distribution obligations* (RG 274). The guide sets our interpretation of the design and distribution obligations, our expectations for compliance and our general approach to administering the obligations.

We recognise there will be a period of transition as licensees finalise the implementation of compliance measures. We will take a reasonable approach in the early stages of the reform provided that licensees are using their best efforts to comply: see [Media Release 21-213MR](#).

ASIC's industry funding model

In January each year, ASIC issues levy invoices to industry to recover some of the regulatory costs that we incur.

To provide transparency of our costs and how these costs are allocated to industry under the industry funding model, we publish an annual Cost Recovery Implementation Statement – or CRIS. The CRIS outlines our forecast regulatory costs and activities by subsector for each financial year and provides details on how ASIC allocated its costs in the previous year. The CRIS also provides industry with indicative levies for the following year to help them plan.

Licensees can use the data in the CRIS to estimate their invoice for next year, noting that the figures are subject to change.

We released the [draft 2020–21 CRIS](#) for feedback in July 2021. Comments closed on 13 August and we are currently preparing the final CRIS for 2020–21.

Further information about [the industry funding model](#) is available on our website.

Product intervention power

The product intervention power strengthens our consumer protection toolkit by equipping ASIC with the power to intervene when there is a risk of significant consumer detriment.

In March 2021, we used our product intervention power to impose conditions on the issue and distribution of contracts for difference (CFDs) to retail clients (see [Media Release 21-060MR](#)). We further exercised the power in April to ban the issue and distribution of binary options to retail clients (see [Media Release 21-064MR](#)).

For more information about the product intervention power, see [Regulatory Guide 272 Product intervention power](#) (RG 272). It outlines the scope of the power, when and how we may exercise the power and how a product intervention order is made.

Best interests duty for mortgage brokers

On 24 June 2020, ASIC published [Regulatory Guide 273 Mortgage brokers: Best interests duty](#) (RG 273). It sets out our view on how mortgage brokers may comply with their best interests obligations at key stages of the credit assistance process.

Mortgage brokers had to comply with the best interests duty and related reforms from 1 January 2021.

New treatment of lease assets in satisfying licence requirements

AFS licensees are now allowed to include a right-of-use lease asset in their calculation of net tangible assets, adjusted surplus liquid funds and surplus liquid funds.

This new treatment of lease assets has been in place since 27 April 2021 and is reflected in a number of ASIC class orders. The changes were made following industry consultation: see [Consultation Paper 336 Financial requirements: Treatment of lease assets](#) (CP 336).

For more information, see [Media Release 21-088MR](#).

Advice fee consent and lack-of-independence disclosure

In March 2021, we made three legislative instruments dealing with advice fee consent and independence disclosure following legislative changes to give effect to recommendations by the Financial Services Royal Commission. For more information, see:

- › [Media Release 21-058MR](#)
- › [Information Sheet 256 FAQs: Ongoing fee arrangements](#) (INFO 256) and [Media Release 21-134MR](#)
- › [Regulatory Guide 175 Licensing: Financial product advisers – Conduct and disclosure](#).

Appendix 1: Licensing and registration data

This appendix provides licensing and registration data for the 2020–21 financial year – see Table 1 – Table 7. It also provides information about application outcomes, including the types of additional regulatory outcomes that could be imposed on an approved licence.

Application outcomes

An application for an AFS or credit licence may be:

- › rejected for lodgement
- › approved (with or without changes to the authorisations and conditions)
- › withdrawn, or
- › refused.

Additional regulatory outcomes

An application that is approved may also have additional regulatory outcomes – for example:

- › a requested authorisation may be modified, tailored or refused
- › a responsible manager condition may be imposed or the applicant's nominated responsible manager may not be accepted because of concerns they will not meet the organisational competence requirement
- › a key person condition may be imposed or the applicant's nominated key person refused, or
- › additional conditions, or other non-standard conditions, may be imposed.

For every application that is approved there may be a combination of regulatory outcomes. This means that the number of regulatory outcomes for approved licences may be larger than the number of applications approved. For example, we may impose a key person condition, require the appointment of an additional responsible manager, and refuse one of the authorisations sought. In this case, while there is a single approved licence application, we consider that we have achieved three beneficial regulatory outcomes. Data on the number of additional regulatory outcomes for new and varied AFS and credit licence applications in 2020–21 is contained in Table 4.

Suspensions and cancellations

We may also suspend or cancel an AFS licence. This may occur after a licensee has ceased operating a financial services business, or as a result of ASIC taking action against the licensee. Data on suspensions and cancellations in 2020–21 is contained in Table 5.

Table 1: Licence applications available for assessment (1 July 2020 to 30 June 2021)

Type of application	Received or initiated before July 2020	Received or initiated July 2020–June 2021	Finalised – approved	Finalised – not approved	Not finalised as at 30 June 2021
New AFS licence	178	565	339 (45%)	123 (17%)	281 (38%)
Variation of AFS licence	259	877	437 (38%)	147 (13%)	552 (49%)
New credit licence	61	247	119 (39%)	60 (19%)	129 (42%)
Variation of credit licence	69	194	100 (38%)	54 (21%)	109 (41%)
Total	567	1,883	995 (40%)	384 (16%)	1071 (44%)

Note 1: The 'Finalised – approved' column includes all applications that were approved during the 2020–21 financial year.

Note 2: The 'Finalised – not approved' column indicates applications that were rejected, withdrawn or refused during 2020–21.

Table 2: Outcomes of finalised AFS licence applications (1 July 2020 to 30 June 2021)

Outcomes	New licence applications received before July 2020	New licence applications received July 2020–June 2021	Licence variation applications received before July 2020	Licence variation applications received July 2020–June 2021
Approved (with and without additional regulatory outcomes)	141	199	181	257
Rejected for lodgement	0	59	2	55
Withdrawn before start of assessment	1	42	3	46
Withdrawn after start of assessment	18	4	25	22
Withdrawn after hearing	0	0	0	0
Refused after assessment	0	0	0	0
Refused after hearing	1	0	0	0

Table 3: Outcomes of finalised credit licence applications (1 July 2020 to 30 June 2021)

Outcomes	New licence applications received before July 2020	New licence applications received July 2020–June 2021	Licence variation applications received before July 2020	Licence variation applications received July 2020–June 2021
Approved (with and without additional regulatory outcomes)	53	66	48	52
Rejected for lodgement	2	19	5	10
Withdrawn before start of assessment	2	29	3	26
Withdrawn after start of assessment	2	6	3	7
Withdrawn after hearing	0	0	0	0
Refused after assessment	0	0	0	0
Refused after hearing	0	0	0	0

Table 4: Number and type of additional regulatory outcomes for AFS and credit licence (new and variation) applications (1 July 2020 to 30 June 2021)

Type of additional regulatory outcome	AFS licence	Credit licence
Key-person condition imposed	374	133
Authorisations changed – authorisations granted that were different from those sought by applicant, or authorisations refused	136	6
Authorisations changed – authorisations granted that were specific to that applicant (tailored authorisations)	85	1
Additional responsible manager appointed	35	4
Additional conditions imposed	18	2
Responsible manager rejected	3	0
Total	651	146

Note 1: A single application may have more than one regulatory outcome. **Note 2:** When we decline to accept responsible managers nominated by the applicant, we are typically concerned that they do not have the knowledge and skills to meet the organisational competence obligations.

Table 5: Number and reasons for suspensions and cancellations of AFS and credit licences (1 July 2020 to 30 June 2021)

Licence type	Cancellation by ASIC	Cancellation on request	Suspension
AFS	41	255	12
Credit	52	215	11

Table 6: Applications finalised within service charter timeframes

Application type	Finalised in 150 days: 2019-20	Finalised in 150 days: 2020-21	Finalised in 240 days: 2019-20	Finalised in 240 days: 2020-21
New AFS licence	76%	74%	89%	91%
AFS licence variation	76%	75%	88%	88%
New credit licence	93%	95%	94%	98%
Credit licence variation	96%	95%	97%	97%

Table 7: Professional registration activity (1 July 2020 to 30 June 2021)

Registrant type	Application for registration	Registered without conditions	Registered with conditions	Withdrawn	Refused	Not finalised in period
Liquidator	43	17	14	3	8	7
Company auditor	121	96	0	21	1	7
SMSF auditor	71	53	6	5	2	2

Appendix 2: The regulated population over time

The *Financial Services Reform Act 2001* (FSR Act) amended the Corporations Act by introducing the AFS licensing regime on 11 March 2002, with a transition period of two years (to 10 March 2004).

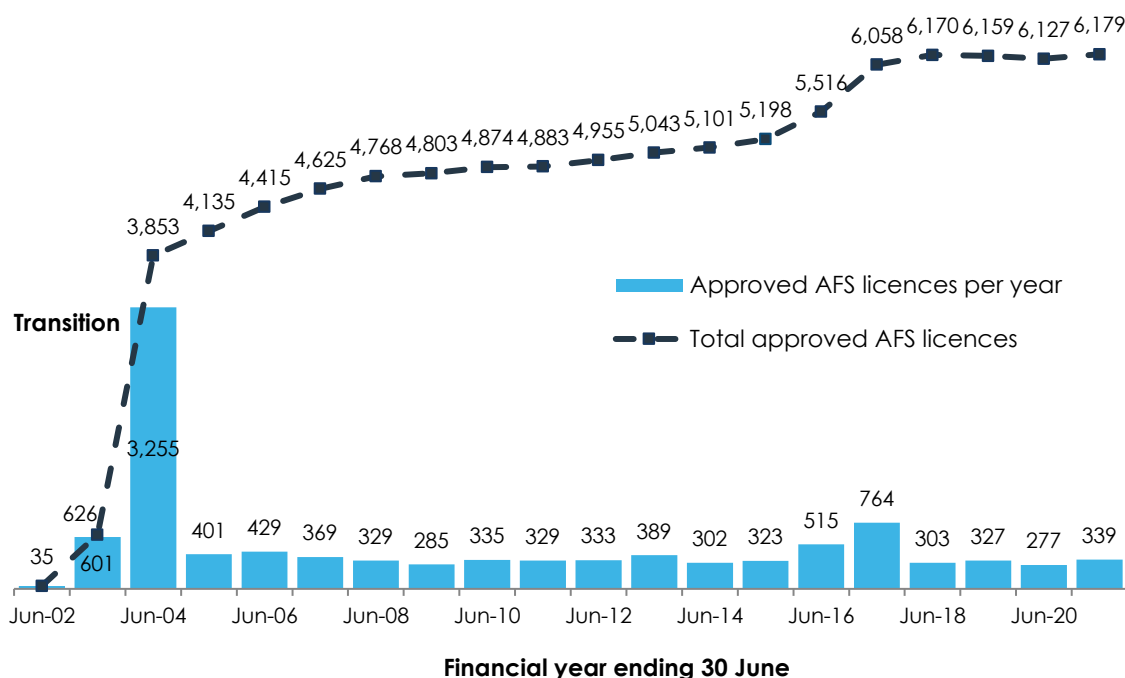
Since then ASIC's AFS and credit licensing and registration responsibilities have expanded as noted in Table 8.

Table 8: ASIC's AFS and credit licensing and registration responsibilities

Activity	Date ASIC assumed responsibility
Liquidator and company auditor registration	14 July 1989
AFS licensing	11 March 2002 (transition period ended 10 March 2004)
Credit licensing	1 July 2010
Approved SMSF auditor registration	1 January 2013

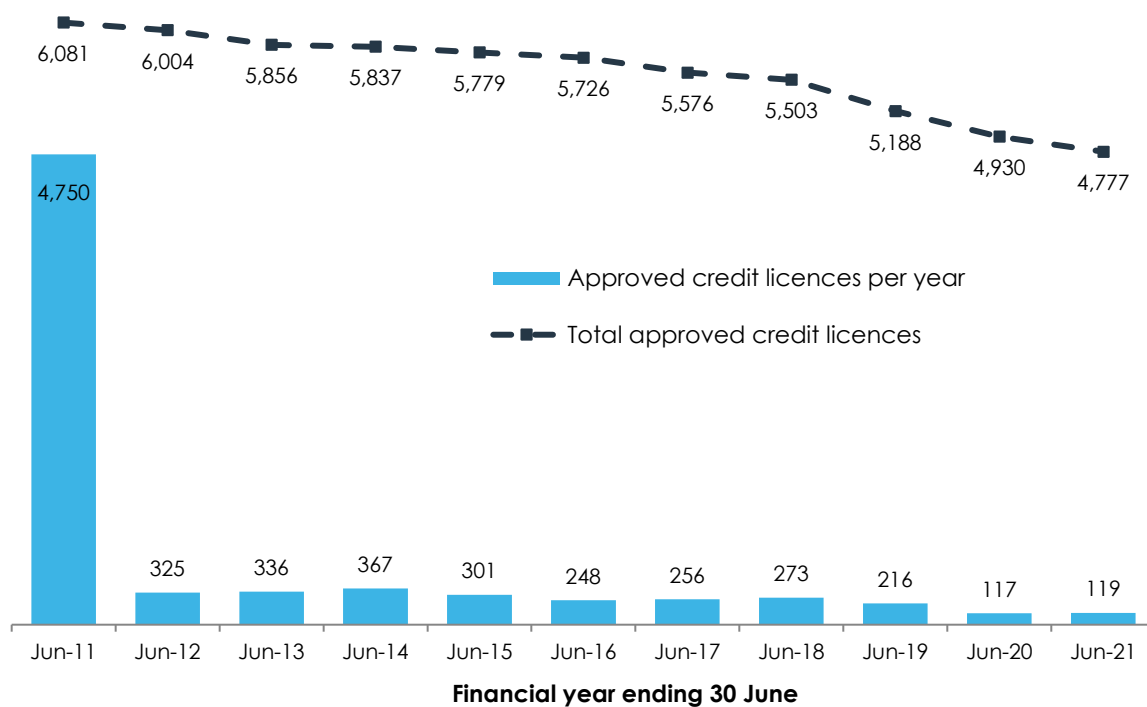
Note: ASIC's predecessor (the Australian Securities Commission) assumed responsibility for liquidator and company auditor registration under the *Corporations Act 1989*.

Figure 2: AFS licences approved per financial year and total number of approved AFS licences



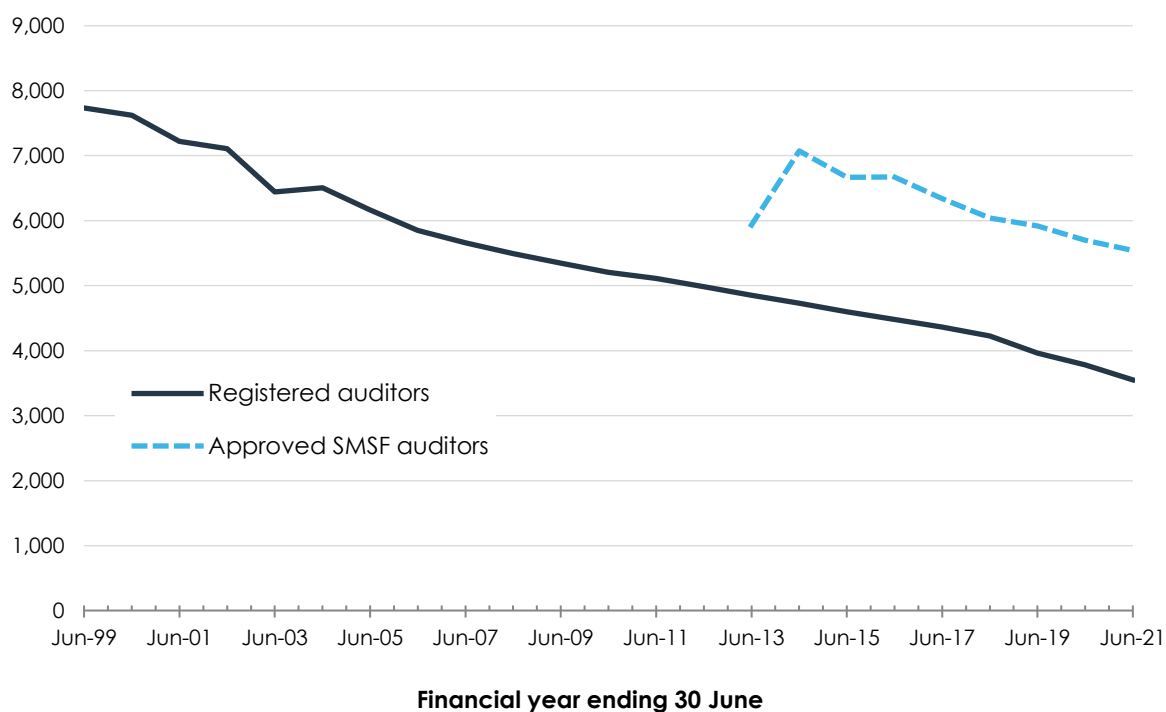
Note: See Table 10 in Appendix 3 for the complete data used in this figure (accessible version).

Figure 3: Credit licences approved per financial year and total number of approved credit licences



Note: See Table 11 in Appendix 3 for the complete data used in this figure (accessible version).

Figure 4: Number of registered company auditors and approved SMSF auditors to 30 June 2021



Note: See Table 12 in Appendix 3 for the complete data used in this figure (accessible version).

Table 9: Number of registered liquidators

Financial year ending 30 June	Registered liquidators
June 2016	707
June 2017	713
June 2018	663
June 2019	647
June 2020	630
June 2021	644

Appendix 3: Accessible versions of figures

This appendix provides accessible data for the figures presented in Appendix 1.

Table 10: AFS licences approved per financial year and total number of approved AFS licences

Financial year ending 30 June	Approved AFS licences per year	Total approved AFS licences
June 2002	35	35
June 2003	601	626
June 2004	3,255	3,853
June 2005	401	4,135
June 2006	429	4,415
June 2007	369	4,625
June 2008	329	4,768
June 2009	285	4,803
June 2010	335	4,874
June 2011	329	4,883
June 2012	333	4,955
June 2013	389	5,043
June 2014	302	5,101
June 2015	323	5,198
June 2016	515	5,516
June 2017	764	6,058
June 2018	303	6,170
June 2019	327	6,159
June 2020	277	6,127
June 2021	339	6,179

Note 1: The data for the period ending 30 June 2004 reflects the end of the AFS licensing transition period on 10 March 2004.

Note 2: This is the data contained in Figure 2.

Table 11: Credit licences approved per financial year and total number of approved credit licences

Financial year ending 30 June	Approved credit licences per year	Total approved credit licences
June 2011	4,750	6,081
June 2012	325	6,004
June 2013	336	5,856
June 2014	360	5,837
June 2015	301	5,779
June 2016	248	5,726
June 2017	256	5,576
June 2018	273	5,503
June 2019	216	5,188
June 2020	117	4,930
June 2021	119	4,777

Note: This is the data contained in Figure 3.

Table 12: Number of registered company auditors and approved SMSF auditors to 30 June 2021

Financial year ending 30 June	Registered auditors	Approved SMSF auditors
June 1999	7,736	Not applicable
June 2000	7,623	Not applicable
June 2001	7,221	Not applicable
June 2002	7,109	Not applicable
June 2003	6,440	Not applicable
June 2004	6,506	Not applicable
June 2005	6,163	Not applicable
June 2006	5,848	Not applicable

Financial year ending 30 June	Registered auditors	Approved SMSF auditors
June 2007	5,658	Not applicable
June 2008	5,495	Not applicable
June 2009	5,345	Not applicable
June 2010	5,207	Not applicable
June 2011	5,114	Not applicable
June 2012	4,985	Not applicable
June 2013	4,852	5,935
June 2014	4,729	7,073
June 2015	4,596	6,669
June 2016	4,483	6,671
June 2017	4,365	6,639
June 2018	4,226	6,039
June 2019	3,962	5,917
June 2020	3,781	5,699
June 2021	3,553	5,540

Note: This is the data contained in Figure 4.