

Microsoft Teams Meeting

- **Audience microphones will be muted** for the duration of the session
- The session is being **recorded**. The recording and slides will be distributed at a later date
- Use the **Teams chat function to submit questions** to the Host and Presenters
 - We ask that questions are submitted through the chat only – ‘Raise hand’ function won’t be used for this session
- There will be time allocated at the end of the session for Q&A



ASIC
Australian Securities &
Investments Commission

18th ASIC Regtech Liaison Forum

11:00am AEST, Friday 4 August 2023





Acknowledgement of Country and Welcome

Danielle Press, Commissioner, ASIC

Agenda



- **ASIC Update**

Mark Adams, Senior Executive Specialist, Strategic Planning and Intelligence, ASIC

- **ASIC's Digital transformation strategy update**

Joanne Harper, Senior Executive Leader, Digital, Data & Technology Transformation Office, ASIC

- **AUSTRAC Update**

Leeann King, Director of Industry, Education and Outreach, AUSTRAC

- **RegTech Association industry update / Fireside chat: Generative AI**

Deborah Young, CEO, RegTech Association and Will Liang, Executive Director, MA Asset Management and Board Director, RegTech Association

- **Q&A – Open Floor**



ASIC update

Mark Adams, Senior Executive,
Strategic Planning and Intelligence, ASIC

Regtech engagements through the Innovation Hub

March 2015 – June 2023

306 : **102** **204**

Total engagements with regtechs

Regtechs assisted

Regtech demonstrations

July 2022 – June 2023

12 **53**

Regtechs assisted

Regtech demonstrations

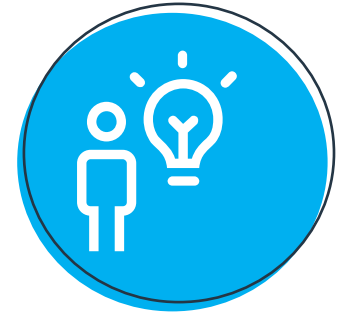


Trends observed from engagement with regtech sector

ASIC continues to receive requests for engagement from regtechs through the Innovation Hub.

- Some business model observations based on our recent engagement with regtech businesses:
 - **information provision services** - such as reporting and analytics (some businesses identified as AI analytics while others reflected more traditional models)
 - provision of **governance services** to other fintechs, start-ups and scale-ups, akin to digitised company secretariat and compliance services
 - **governance services to crypto-asset businesses** including tracking wallets and supporting litigation services
 - **market trading monitoring services**
 - **Digital ID related services**

Business Research and Innovation Initiative (BRII) Regulatory Technology Round



BRII is a government program sponsored by the Department of Industry, Science, and Resources (DISR).

- ASIC's BRII challenge focuses on developing a technology solution to help ASIC analyse corporate disclosures and other datasets to identify and assess compliance by listed companies.
- ASIC is excited to work with Eastern Analytica (trading as DHI-AI) to develop a proof of concept for using technology to help identify and assess poor market disclosure by listed companies.
- Eastern Analytica will develop their proposed solution over a period up to 15 months (i.e. a MVP).
- Visit ASIC's [BRII RegTech Round](#) webpage for more information on the program.

Global Financial Innovation Network (GFIN)



GFIN launches its first ever virtual Greenwashing TechSprint

- The TechSprint will be hosted on the UK FCA Digital Sandbox.
- It starts on 5 June 2023 and will run for 3 months. It will finish with a showcase day in September 2023.
- The TechSprint will bring together 15 international regulators alongside firms and innovators with the aim of addressing GFIN's priority on environmental, social and governance (ESG) and sustainable finance.
- The objective of the TechSprint is to develop a tool or solution that could help regulators, or the market more effectively tackle or mitigate the risks of greenwashing in financial services.
- Visit the [GFIN website](#) for more information.

Global Financial Innovation Network (GFIN)



Engagement with the RegTech Sector Report 2021

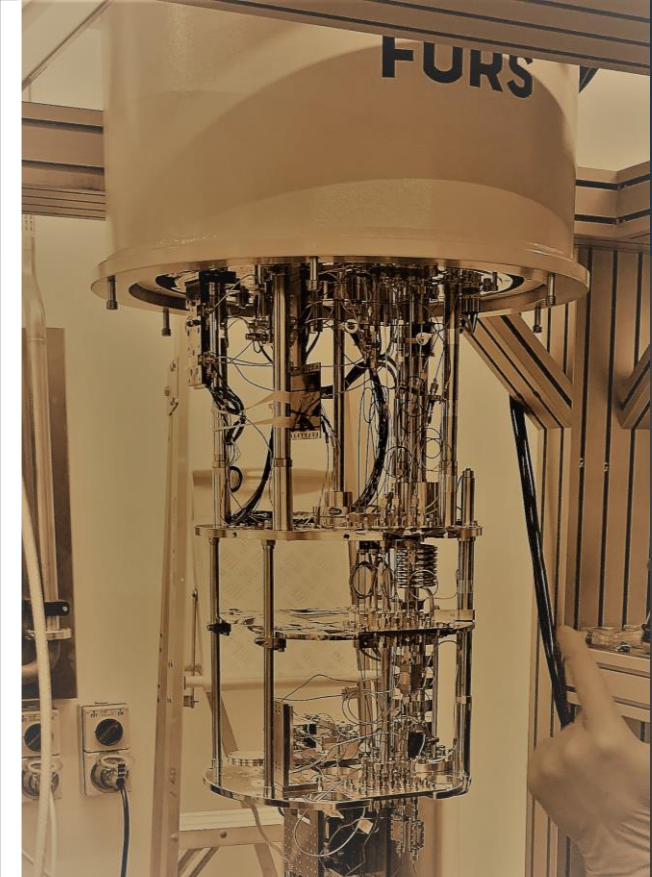
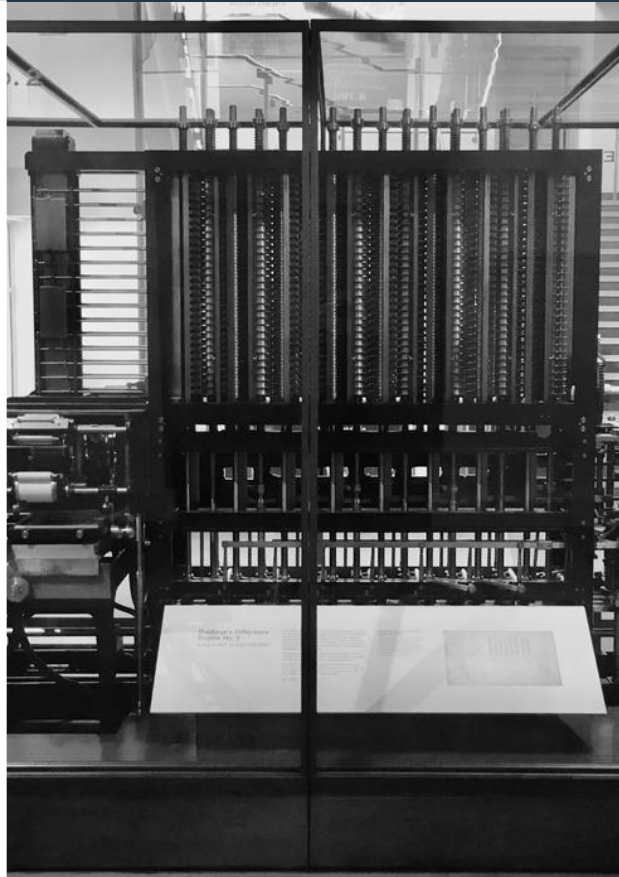
- In our previous role as Chair of the RegTech Ecosystem Special Unit, ASIC surveyed GFIN members on their approach to the endorsement of RegTech businesses or models and engagement with industry and regulatory standard setting bodies.
- The survey found that all respondents did not use any form of certification or endorsement of RegTech for reasons related to mandate and competition considerations. However, a range of approaches were used to encourage the uptake of regtech by the regulated population such as events and other forms of industry engagement.
- Some agencies delivered guidance in the form of regulatory expectations while a small minority of respondents would either cite or directly engage in the development of industry standards such as the ISO standards.
- Visit the [GFIN website](#) to view the report.



ASIC's Digital transformation strategy update

Joanne Harper, Senior Executive Leader,
Digital, Data & Technology
Transformation Office, ASIC

ASIC
∞
RegTech



Jo Harper – Senior Executive Leader, Transformation Office, Digital, Data and Technology

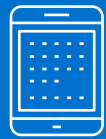


01. Ensuring integrity and promoting confidence in markets through difficult economic challenges



We need to make interacting with ASIC a frictionless, digital experience. Adoption of technologies that facilitate compliant practices (e.g. RegTech, SupTech) coupled with new digital surveillance and enforcement innovations and increased cyber capabilities will allow ASIC to support safe, transparent and efficient markets which in turn will promote confidence and stimulate innovation and investment in the Australian economy.

02. Protecting consumers from new threats and more complex financial harms



We need to continue to ensure the integrity of the Australian financial system in the digital age. Consumers are increasingly exposed as a result of uncertainty regarding some novel offerings and failure to invest may lead to increased consumer harm. This has the flow on effect of eroding confidence in Australia's financial markets and a possible reduction in investment.

03. A central plank in the Government's digital platform



To meet stakeholder expectations of digital interactions and to ensure a consistent experience across government, ASIC must invest more in technologies to improve connectivity and generally contribute to whole of government capabilities e.g. digital identity and data sharing.

OUR DIGITAL VISION



BY **2030** ASIC WILL BE A
LEADING **DIGITALLY-ENABLED,**
DATA-INFORMED
REGULATOR



Everyone working at ASIC contributes to our **'digital mindset'**. Our people collaborate, innovate and are empowered to drive continuous digital improvement.



Stakeholders are at the forefront of service delivery and design. We anticipate their needs, making it easy to do the right thing and harder to do the wrong thing.



A **Digital Front Door** is used for all external interactions with ASIC. It is accessible at a time and in a way that is convenient and intuitive for the user. The experience is seamless and consistent across all services.



We have a single view of regulated entities. They can see in one place all the information they have provided to ASIC and ASIC staff can readily access everything they need about a regulated entity.



We make **timely and better regulatory decisions** and deliver improved outcomes by leveraging data analytics, automation and advanced technologies (including AI).



Secure systems are backed by **resilient technology foundations** and protect us against **new and emerging threats**.



We **actively encourage and support RegTech and SupTech** initiatives that foster a fair, strong and efficient financial system.

Draft Data and Digital Government Strategy



Federal Government Digital Transformation Agency (DTA) has released a draft Strategy

- Consultation during June and July
- Expect final to be released by end of 2023

Action Mission 3 speaks to innovation - Government for the Future

“The Australian Government is a leader in using new and evolving data and digital technologies in innovative ways to take advantage of opportunities and respond to emerging priorities. The Australian Government will partner domestically and internationally to promote standards and capability to deliver secure and ethical modern data and digital technology”

FIVE MISSIONS

ACTION MISSION 1

Delivering for all People and Business

ACTION MISSION 2

Simple and Seamless Services

ACTION MISSION 3

Government for the Future

FOUNDATION MISSION 4

Trusted and Secure

FOUNDATION MISSION 5

Data and Digital Foundations

Areas to Explore – Responsible AI



- **Rapid Response Information Report on Generative AI in March 2023 raised numerous questions. Does Australia have:**
 - Sufficient compute power
 - Appropriately skilled practitioners
 - Scientific expertise
 - Workforce development strategies and policy settings
- **ASIC has adopted an AI policy and working on Assurance Framework**
 - We have adopted the Australian AI Ethics Principles developed by Department of Industry, Science and Resources (DISR)
- **RoboDebt Royal Commission Recommendations**
 - Identified many lessons including the need for Human Centred Design
- **Regulation is likely**
 - DISR Supporting Responsible AI Discussion Paper – Consultation Closes Today!



- **The Essential Eight**

- While no set of mitigation strategies are guaranteed to protect against all cyber threats, organisations are recommended to implement eight essential mitigation strategies from the ACSC's Strategies to Mitigate Cyber Security Incidents as a baseline. This baseline, known as the Essential Eight, makes it much harder for adversaries to compromise systems.

- **IRAP**

- The Information Security Registered Assessor Program (IRAP) provides a comprehensive process for the independent assessment of a system's security against Australian government policies and guidelines. The IRAP goal is to maximize the security of Australian federal, state, and local government data by focusing on the information and communications technology infrastructure that stores, processes, and communicates it



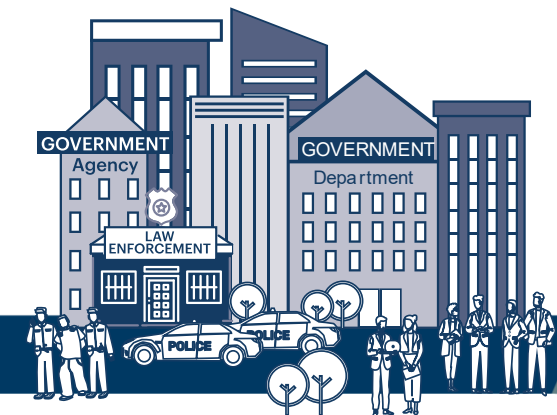
AUSTRAC update

Leeann King, Director – Industry,
Education & Outreach, AUSTRAC



AML/CTF Reform

- ✓ Proposed AML/CTF legislation reforms
- ✓ Simplify and modernise the regime
- ✓ Tranche 2 – Extend new entities eg lawyers, accountants and real estate agents
- ✓ Consultation on proposed AML/CTF legislation reforms





REGTECH@austrac.gov.au

AUSTRAC RegTech Engagement

- An understanding of Australia's AML/CTF framework
- Understand the products and services provided by clients including their ML/TF risks
- The gaps a client may have in meeting their regulatory obligations
- Clearly explain the solution to your client, including its limitations and ongoing support
- Ensure your client understands your AML solution and it meets the requirements of Australia's AML/CTF framework
- Keep up to date with relevant AUSTRAC information, industry trends and legislative changes

Follow us



Find out more

austrac.gov.au

Sign up to our newsletter

AUSTRAC InBrief





Regtech Association industry update

Fireside chat: Generative AI

Deborah Young, CEO, Regtech Association

Will Liang, Executive Director, MA Asset
Management and Board Director, RegTech
Association



RegTech



ASIC RegTech Liaison Forum – August 2023

Accelerating the adoption of RegTech
Creating a global centre of excellence

About us



With a clear vision to be a global centre of excellence by facilitating the building of higher performing, ethical and compliant businesses through RegTech innovation and investment, The RegTech Association was founded in 2017 as a non-profit organisation that focuses on what is needed to support the growth of the sector and to accelerate RegTech adoption worldwide. We support our members to embrace and adopt best practice Environmental, Social and Governance principles.

The association brings together government, regulators, regulated entities, professional services and founder-led RegTech companies to ensure collaboration between all of the parties, promoting the RegTech industry as widely as possible, resulting in action in the uptake of RegTech proof of concepts and deployed RegTech solutions across the eco-system.

Strategic plan on a page



Global centre of excellence



Acceleration of adoption



To facilitate connections to drive commercial outcomes



To educate and showcase to promote the industry



To explore and expand new opportunities in new markets or segments



To encourage and facilitate global investment

Focus activities for the FY23-24

Roll out global activities

Revitalise current programs including re-design
#ACCELERATERegTech

Establish and nurture global partnerships & MOUs

Expand research to include investment & non members to deepen data

Budget that supports growth

INDUSTRY UPDATE



- Refreshed the brand and url
- EU and UK visit in June (1 Amsterdam and 1 in London) RegTech remains high on global agenda
- Deeply engaging with regulators in Australia and offshore
- Working with FI's to unpack the benefits of RegTech
- Singapore FinTech Festival
- Continue to drive our showcase activities online (19,000 people, 85+ countries in three years)
- Re-design of #ACCELERATERegTech to #ACCELERATERegTechGlobal
 - More focused content
 - Smaller, more intimate engagements and programs
 - Three key geographic locations including Australia, US, UK
- Re-designed RegTech Matters programs
 - More topic focussed
 - More senior engagement

REGTECH MEMBERS MAP

Be part of the movement. Sign up today at www.regtechglobal.org/join



Useful Links

www.regtechglobal.org

- [Subscribe](#) to our communications
- The RegTech Association [Industry Perspectives Report 2022](#)
- [Our Info Hub](#)
- [Our YouTube Channel](#)
- [Our LinkedIn](#) page
- [LinkedIn social group](#)
- [Our Twitter](#) account



Generative Ai - The big questions

Deborah Young & Will Liang



Thank you

innovationhub@asic.gov.au

asic.gov.au/for-business/innovation-hub