



CRIS: ASIC INDUSTRY FUNDING MODEL (2023–24)

This document is part of ASIC’s 2023–24 CRIS. It should be read in conjunction with the other documents that make up the CRIS, including the key terms.

A Summary of ASIC’s 2023–24 regulatory costs and estimated levies for subsectors

Key points

This document summarises:

- ASIC’s costs and levies for 2023-24 by regulatory activity and industry sector (see paragraphs RG 000.1–4 and Table 1–Table 3);
- estimated costs and levies for 2023-24 by industry subsector (see paragraphs RG 000.5–RG 000.6 and Table 4); and
- forward estimates for future financial years (see paragraphs 7–9 and Table 5–Table 6).

Summary of ASIC’s estimated costs and levies for 2023-24

- 1 ASIC’s regulatory costs are funded through appropriation from the Australian Government budget. We expect to recover \$345.6 million of regulatory costs via cost recovery levies and statutory levies for 2023–24. This includes -\$4.8 million in allowance for capital expenditure, less costs funded by own-source revenue, and adjustments for under and over recoveries from 2022–23.

Note 1: The -\$4.8 million includes \$0.5 million that was not recovered from deregistered companies. This amount is carried forward in accordance with s10(6)(b) of the *ASIC Supervisory Cost Recovery Levy Act 2017* (Cost Recovery Levy Act).

Note 2: We reduce the levies by costs funded by own-source revenue. We are not paying industry but there is a levy reduction this year to account for the large own-source revenue that we have received as part of our court awarded costs.

- 2 Table 1 outlines how we expect to recover our 2023–24 regulatory costs for each of our regulatory activities that are subject to industry funding.

Note: In this CRIS, we round figures to one decimal place in the text and three decimal places in tables. Items may not add up to totals due to rounding.

Table 1: Method of cost recovery by regulatory activity

Activity	Cost recovery levies	Statutory levies	Fees for service
Supervision and surveillance	\$64.803m	\$0.740m	Nil
Enforcement	\$71.919m	\$57.971m	Nil
Other regulatory activities			
<i>Industry engagement</i>	\$10.193m	\$0.116m	<i>Nil</i>
<i>Education</i>	\$0.164m	\$4.599m	<i>Nil</i>
<i>Guidance</i>	\$3.421m	\$0.039m	<i>Nil</i>
<i>Policy advice</i>	\$8.941m	\$2.779m	<i>Nil</i>
Indirect costs			
<i>Commission, legal services and risk management</i>	\$19.903m	\$0.227m	<i>Nil</i>
<i>Digital, data and technology</i>	\$51.534m	\$0.589m	<i>Nil</i>
<i>Corporate support</i>	\$21.081m	\$0.241m	<i>Nil</i>
<i>Property and accommodation services</i>	\$30.804m	\$0.352m	<i>Nil</i>
Fees for service activities			
<i>Licence applications or variations</i>	<i>Nil</i>	<i>Nil</i>	\$3.423m
<i>Registration application services</i>	<i>Nil</i>	<i>Nil</i>	\$1.026m
<i>Compliance review of documents</i>	<i>Nil</i>	<i>Nil</i>	\$7.727m
<i>Requests for changes to market operating rules</i>	<i>Nil</i>	<i>Nil</i>	\$0.617m
<i>Assessment of applications for relief</i>	<i>Nil</i>	<i>Nil</i>	\$9.407m
Total	\$282.763m	\$67.654m	\$22.201m

Note: In addition to the industry funding levies, there will be a recovery of -\$4.8 million in allowance for capital expenditure, less costs funded by own-source revenue, and adjustments for under and over recoveries from 2022–23.

3 Table 2 outlines the regulatory costs expected to be recovered by industry funding levies for each sector.

Table 2: Regulatory costs to be recovered via industry funding levies by industry sector

Sector	Cost recovery levies	Statutory levies	Total levy
Corporate	\$63.923m	\$27.363m	\$91.286m
Note: For this sector, the regulatory costs recovered through levies do not include the costs recovered from small proprietary companies. The costs for that subsector are recovered through a \$4 increase to the annual review fee.			

Sector	Cost recovery levies	Statutory levies	Total levy
Deposit taking and credit	\$41.792m	\$7.884m	\$49.676m
Investment management, superannuation and related services	\$56.071m	\$9.582m	\$65.653m
Market infrastructure and intermediaries	\$51.409m	\$12.688m	\$64.097m
Financial advice	\$47.282m	\$6.249m	\$53.531m
Insurance	\$17.443m	\$3.888m	\$21.332m
Total	\$277.920m	\$67.654m	\$345.574m

4 The activities for which regulatory costs will be recovered via a statutory levy are set out in Table 3.

Table 3: Regulatory costs to be recovered by statutory levies by activity

Activity	Estimated costs
Enforcement (funded by Enforcement Special Account (ESA))	\$56.504m
Education	\$4.545m
Whistleblower legal framework	\$2.647m
Fighting scams	\$3.958m
Total	\$67.654m

Summary of estimated regulatory costs and levies for 2023–24

5 Table 4 outlines the regulatory costs expected to be recovered by industry funding levies for each subsector.

6 An entity can belong to more than one subsector. We have provided further information to help entities determine the subsectors to which they belong (PDF 229 KB) on our website.

Table 4: Overview of costs to be recovered through industry funding levies by subsector

Corporate sector

Subsectors	Estimated costs	Estimated levy
Listed corporations	\$61.706m	Minimum levy of \$4,000, plus \$33.88 per \$1m of market capitalisation above \$5m Maximum levy of \$677,390, for entities with a market capitalisation of greater than \$20bn

Subsectors	Estimated costs	Estimated levy
Unlisted public companies	\$5.073m	\$339
Large proprietary companies	\$9.447m	\$924 (\$928, less \$4 collected via the annual review fee)
Small proprietary companies	\$42.231m	Not applicable – levied via the annual review fee of \$4
Auditors of disclosing entities	\$5.652m	\$78 per \$10,000 of revenue
Registered company auditors	\$2.103m	\$657
Registered liquidators	\$7.304m	Minimum levy of \$2,500, plus \$95.04 per appointment and notifiable event

Deposit taking and credit sector

Subsectors	Estimated costs	Estimated levy
Credit providers	\$28.517m	Minimum levy of \$2,000, plus \$37.06 per \$1m of credit provided above \$100m (other than for small and medium amount credit contracts)
Small and medium amount credit providers	\$6.957m	\$47.20 per \$10,000 of credit provided under small and medium credit contracts
Credit intermediaries	\$3.109m	\$737
Deposit product providers	\$5.553m	Minimum levy of \$2,000, plus \$1.75 per \$1m of total deposit liabilities above \$10m
Payment product providers	\$5.530m	Minimum levy of \$2,000, plus \$9.43 per \$10,000 of total revenue from payment product provider activity
Margin lenders	\$0.010m	\$438

Investment management, superannuation and related services sector

Subsectors	Estimated costs	Estimated levy
Superannuation trustees	\$27.322m	Minimum levy of \$18,000, plus \$11.66 per \$1m of assets above the \$250m threshold
Responsible entities	\$33.587m	Minimum levy of \$7,000, plus \$20.78 per \$1m of assets above the \$10m threshold
Wholesale trustees	\$2.061m	Minimum levy of \$1,000, plus \$0.18 per \$1m of adjusted total assets
Operators of notified foreign passport funds and regulated former notified funds	\$0.233m	No leviable entities
Custodians	\$0.563m	\$413

Subsectors	Estimated costs	Estimated levy
Investor directed portfolio services (IDPS) operators	\$0.141m	Minimum levy of \$10,000
Managed discretionary account (MDA) providers	\$1.281m	\$5,448
Traditional trustee company service providers	\$0.465m	\$42,432

Market infrastructure and intermediaries sector

Subsectors	Estimated costs	Estimated levy
Large securities exchange operators	\$6.873m	\$3.47 per \$1m of total transactions
Large futures exchange operators	\$1.085m	\$1,084,559
Small futures exchange operators	\$0.038m	\$37,856
Small securities exchange operators	\$0.633m	\$312,003
Small securities exchange operators with self-listing function only	\$0.001m	\$1,359
New specialised market operators	\$0.014m	\$13,590
Established specialised market operators	\$0.488m	\$30,567
Overseas market operators	\$0.461m	\$16,849 for an entity operating for a full year
Tier 1 clearing and settlement (CS) facility operators	\$4.925m	\$1,234,583
Tier 2 CS facility operators	\$0.106m	\$106,196
Tier 3 CS facility operators	\$0.036m	\$36,311
Tier 4 CS facility operators	\$0.000m	\$0
Exempt CS facility operators	\$0.019m	\$9,513 for an entity operating for a full year
Australian derivative trade repository operators	\$0.383m	\$191,627
Exempt market operators	\$0.014m	\$6,795 for an entity operating for a full year

Subsectors	Estimated costs	Estimated levy
Credit rating agencies	\$0.054m	Minimum levy of \$2,000, plus \$14,121 for credit rating agencies with a supervisory college
Benchmark administrator licensees	\$0.123m	\$61,738
Large securities exchange participants	\$18.186m	Minimum levy of \$9,000, plus \$0.0165 per transaction and \$0.00034 per message
Large futures exchange participants	\$0.614m	Minimum levy of \$9,000, plus \$0.001 per lot and \$0.0002 per message
Securities dealers	\$4.969m	Minimum levy of \$1,000, plus \$23.37 per \$1m of annual transaction turnover
Corporate advisers	\$2.182m	Minimum levy of \$1,000, plus \$5.83 per \$10,000 of total revenue above the \$100,000 threshold
Over-the-counter (OTC) traders	\$6.800m	Minimum levy of \$1,000 plus \$3,469 per full-time equivalent staff engaged in OTC trading activity
Retail OTC derivative issuers	\$15.834m	\$198,941
Wholesale electricity dealers	\$0.258m	\$5,857

Financial advice sector

Subsectors	Estimated costs	Estimated levy
Licensees that provide personal advice to retail clients on relevant financial products	\$48.394m	Minimum levy of \$1,500, plus \$2,878 per adviser
Licensees that provide personal advice to retail clients on products that are not relevant financial products	\$0.269m	\$483
Licensees that provide general advice only	\$2.985m	\$2,721
Licensees that provide personal advice to wholesale clients only	\$1.884m	\$976

Note: 'Relevant financial products' are financial products other than basic banking products, general insurance products, consumer credit insurance, or a combination of any of these products (see s910A of the Corporations Act).

Insurance sector

Subsectors	Estimated costs	Estimated levy
Insurance product providers	\$13.125m	Minimum levy of \$20,000, plus \$1.95 per \$10,000 of revenue above the \$5m threshold

Subsectors	Estimated costs	Estimated levy
Insurance product distributors	\$0.476m	\$134
Risk management product providers	\$0.081m	\$1,087
Claims handling and settling services providers	\$7.650m	Minimum levy of \$500, plus \$1.13 per claim under insurance products in relation to which the entity provides claims handling and settling services

Forward estimates for future financial years

Industry funding levies

7 Table 5 provides estimates of our revenue and expenses for costs recovered through industry funding levies for 2023–24 and 2024–25.

Table 5: Forward estimates for costs recovered through industry funding levies

Figure type	Actual figure for 2022–23	Estimates for 2023–24	Estimates for 2024–25	Estimates for 2025–26
Expenses	\$349.5m	\$345.6m	\$382.4m	\$382.4m
Revenue (costs recoverable)	\$346.2m	\$345.6m	\$382.4m	\$382.4m
Balance (revenue minus expenses)	(\$3.3m)	\$0.0m	Nil	Nil
Cumulative balance	(\$3.3m)	\$0.0m	Nil	Nil

8 The \$0.5 million balance carried forward from 2022–23 to 2023–24 represents 2022–23 costs that were not recovered from deregistered companies. This amount is carried forward in accordance with s10(6)(b) of the Cost Recovery Levy Act.

Fees for service

9 Table 6 provides estimates of our revenue and expenses for costs recovered through fees-for-service for 2024–25 and 2025–26.

Table 6: Forward estimates for costs recovered through fees-for-service

Figure type	Actual figure for 2022–23	Estimates for 2023–24	Estimates for 2024–25	Estimates for 2025–26
Expenses	\$19.4m	\$22.201m	\$31.3m	\$ 31.3m

Figure type	Actual figure for 2022–23	Estimates for 2023–24	Estimates for 2024–25	Estimates for 2025–26
Revenue (costs recoverable)	\$11.5m	\$22.201m	\$ 31.3m	\$ 31.3m
Variance (revenue minus expenses)	(\$7.9m)	Nil	Nil	Nil

10 The variance for 2022–23 is due to an increase in costs since 2017, when the fees were set.