

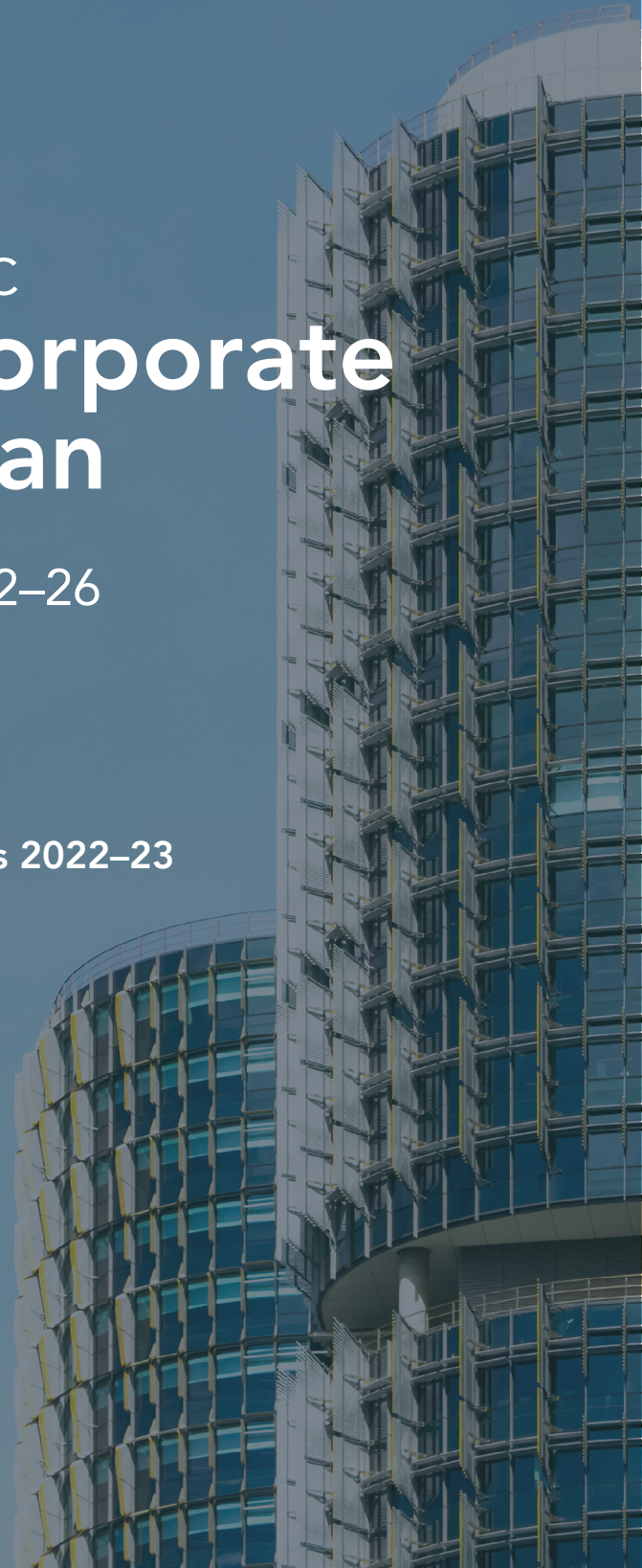


ASIC
Australian Securities &
Investments Commission

ASIC Corporate Plan

2022–26

Focus 2022–23



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Our Corporate Plan

This corporate plan covers the period from 2022–23 to 2025–26. It has been prepared as required by s35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Message from the Chair

I am pleased to present the ASIC Corporate Plan for 2022–26.

Since becoming the Chair of ASIC, I have focused on ensuring that we are an ambitious and confident regulator, trusted by the community and always looking ahead. This will remain my focus for the next four years.

ASIC will continue to be an active litigator against misconduct. We will take strong and targeted action to protect consumers and investors from harm and to maintain trust and integrity in the financial system. When we take enforcement action, we will be transparent about why we have done so.

We will also continue to use the full suite of our regulatory tools to help prevent and effectively respond to wrongdoing. This includes using our product intervention powers and enforcing compliance with the design and distribution obligations to take quick action that disrupts poor conduct and prevents harm.

Planning over the longer term

ASIC is focusing more and more on planning over the longer term, developing priorities with a long-term focus to guide our actions over the next four years. This will enable us to better address emerging trends and issues, plan for more effective outcomes, and ensure we have the capabilities we need to support our ambitions.

This does not mean that we will lose sight of the importance of maintaining flexibility to manage uncertainties in our environment or developments in law reform. We will always be attuned to changes in our regulatory environment to ensure we adapt and respond to them. And we will monitor the impact of our actions and the outcomes our work generates.

Sometimes this may mean that our priorities need to shift and, when this happens, we will do our best to explain what this means for our stakeholders.

Effective and transparent communication is an explicit priority of mine. Our corporate plan will continue to be the primary channel by which we communicate our priorities for the next four years and our planned actions for the year ahead. This year, our corporate plan highlights our core strategic projects, to provide further clarity about how we will deliver on our priorities.

Our corporate plan is complemented by regular updates throughout the year. Importantly, we report on our outcomes in each year's annual report, and I look forward to releasing our 2021–22 annual report in October. The year that was will always help shape our plans for the years ahead.

Our priorities and what has changed

In last year's corporate plan, ASIC's priorities included reducing the risk of harm to consumers caused by poor product design and governance, as well as enhancing cyber and operational resilience. These issues remain top priorities for ASIC.

We will broaden our focus to other digitally enabled misconduct as emerging technologies and products change our financial ecosystem. Our focus will include scams and crypto-assets.

We also recognise the transformational impacts of climate risk on global and domestic markets, and the growing emphasis on sustainable finance. We have identified governance, transparency and disclosure standards in relation to sustainable finance as a priority for ASIC.

Against the backdrop of the changing economic environment and an ageing population, protecting Australians planning for retirement is another priority for ASIC. We will focus on superannuation products, managed investments and financial advice.

Following the commencement last year of many important law reforms, including the reportable situations regime and the design and distribution obligations, we are shifting our focus from driving industry readiness to ensuring that the benefits of these reforms are realised.

As the COVID-19 pandemic continues to impact the financial system, we remain committed to protecting vulnerable consumers from harm. We will continue to identify opportunities to facilitate innovation and provide relief where appropriate.

As always, our work will be informed by our engagement with the Australian Government, Treasury and other regulators and agencies – in particular, the Australian Prudential Regulation Authority (APRA) and the Council of Financial Regulators.

Our internal change program

Within ASIC, we are committed to improving our organisational design and our decision-making processes. This will enable us to plan and allocate resources more strategically to produce more efficient and effective outcomes.

Following the infrastructure review we undertook last year, we remain focused on optimising how our internal functions operate. Our operational plans incorporate key recommendations and principles from that review in relation to service delivery, planning, budgeting and portfolio reporting.

A fundamental priority for ASIC will continue to be our significant investment in technology so that we can be a leading digitally enabled and data-informed regulator. We will equip our people with the right skills to harness the benefits of this investment. This will enable us to better identify and assess trends, measure the impact of our work, and do our work more efficiently.

Continuing with the work we started last year on regulatory efficiency, we are implementing a number of initiatives to make changes to the way ASIC administers the law, and make it easier for industry and other stakeholders to interact with us.

Our interactions with industry and other stakeholders bring a lot of value to our work and inform our decisions. One of our regulatory efficiency initiatives will look at how we can engage with our stakeholders more clearly and consistently.

Our work in this plan, and particularly our internal change program, touches on a number of themes we have been discussing with the Financial Regulator Assessment Authority (FRAA) in its first review of ASIC. I look forward to the release of the FRAA's report and engaging with the FRAA in its future reviews of ASIC.

Looking ahead

As our regulatory and operating environment continues to evolve, I know that ASIC and its people will confidently embrace and adapt to these changes and continue to focus on the commitments made in this plan. Above all, we will always identify opportunities to maximise the benefits our work offers to Australian investors, consumers, markets and the broader Australian economy.



Joseph Longo
Chair

At a glance: Our strategic priorities and actions

EXTERNAL PRIORITIES



Product design and distribution

Reduce the risk of harm to consumers of financial and credit products, caused by poor product design, distribution and marketing, especially by driving compliance with new requirements



Sustainable finance

Support market integrity through proactive supervision and enforcement of governance, transparency and disclosure standards in relation to sustainable finance



Retirement decision making

Protect consumers, especially as they plan and make decisions for retirement, with a focus on superannuation products, managed investments and financial advice



Technology risks

Focus on the impacts of technology in financial markets and services, drive good cyber-risk and operational resilience practices, and act to address digitally enabled misconduct, including scams

ACTIONS: Core strategic projects

Scams



Sustainable finance practices



Crypto-assets



Design and distribution obligations



Breach reporting



Cyber and operational resilience



Financial Accountability Regime (FAR)



Digital technology and data



INTERNAL PRIORITIES



Digital technology

Expand our use of digital technology to support more efficient processes in our regulatory work in line with our digital strategy



Data and analytics

Increase our efficiency and effectiveness by improving access to information and adopting new analytical tools in line with our data strategy



People and resourcing

Recruit and retain talent, enhance our skills, and improve our budget and planning process to ensure our resources are aligned to our priorities



Modernising business registers

Continue to support the successful transfer of ASIC registers to the Australian Business Registry Services

CAPABILITIES

Our statutory objectives

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. We will work to achieve our vision through the performance of our statutory objectives.

Our vision is for a fair, strong and efficient financial system for all Australians. We will fulfil our statutory objectives under the *Australian Securities and Investments Commission Act 2001* (ASIC Act) to:

- › maintain, facilitate and improve the performance of the financial system and the entities in it
- › promote confident and informed participation by investors and consumers in the financial system
- › administer the law effectively and with minimal procedural requirements
- › efficiently and quickly receive, process and store information that is given to ASIC
- › make that information available to the public as soon as practicable
- › take whatever action we can, and that is necessary, to enforce and give effect to the law.

ASIC has the function of monitoring and promoting market integrity and consumer protection in the Australian financial system.

We also have the function of monitoring and promoting market integrity and consumer protection in the payments system by promoting:

- › the adoption of approved industry standards and codes of practice
- › the protection of consumer interests
- › community awareness of payments system issues
- › sound customer–banker relationships.

Regulatory environment

Key trends in the regulatory environment have shaped our strategic priorities.

Our regulatory environment is changing and evolving – climate risk, our ageing population, emerging data and digital technologies, and significant volatility in the crypto-assets market are all having a transformational impact.

There has been a global trend for capital markets to align with sustainability goals. Companies are increasingly reporting sustainability-related risks and opportunities as these become an important focus for investors and stakeholders. With sustainability-related investment growing, there is an increased risk of greenwashing.

Consumers remain vulnerable to investment scams. Australians lost more than \$242 million to investment scams in the first half of 2022. Of particular concern are newer types of scams, such as money recovery scams, which target investors who have been victims of scams in the past.

A diverse range of technologies are enabling scams. With emerging technologies transforming our financial ecosystem, this trend is expected to increase. In 2021, bank transfers continued to be the most common payment method for scams, with \$129 million in losses reported to Scamwatch. Scamwatch also received 4,730 reports of crypto investment scams, with \$99 million in reported losses.

Amid the trend of increasing digitally enabled misconduct, cyber attacks are becoming more frequent and complex. Cyber security remains a high priority for corporations as they seek to integrate new information technology systems into their business models. Companies continue to invest in digital infrastructure and staff training to prevent data breaches, technology failures and outages.

Around 11.7% of member accounts with superannuation funds currently belong to members aged 65 and over. As Australia's population ages, this proportion has been steadily increasing. Consumer superannuation accounts are also increasingly being held by a smaller number of regulated superannuation funds, due to industry consolidation.

As our regulatory environment evolves, the implications of events in recent years continue to affect Australians economically and financially. We continue to face the ongoing effects of the pandemic and other geopolitical issues, in particular the recent inflationary challenges and supply-chain pressures.

Rising interest rates pose risks for mortgage holders as repayments become more costly, after a prolonged period of low rates. This is occurring against the backdrop of high levels of household debt and an increased proportion of new loans with a higher debt-to-income ratio.

Also carrying forward from last year are the new law reforms that came into effect in October, including the design and distribution obligations and the reportable situations regime. The implementation of these reforms required significant changes to industry participants' systems and processes.

These reforms reshaped what is expected of financial services firms, alongside the increasing demand from consumers for transparency. They also reshaped the regulatory tools and data available to ASIC. Moving forward it will be important to monitor the implementation of the reforms and give effect to them, so that their benefits for consumers can be realised.

Strategic priorities

Our work over the next four years will be guided by our external and internal strategic priorities.

External priorities

Our external priorities target the most significant threats and harms in our regulatory environment.



1. Product design and distribution: Reduce the risk of harm to consumers of financial and credit products, caused by poor product design, distribution and marketing, especially by driving compliance with new requirements.



2. Sustainable finance: Support market integrity through proactive supervision and enforcement of governance, transparency and disclosure standards in relation to sustainable finance.



3. Retirement decision making: Protect consumers, especially as they plan and make decisions for retirement, with a focus on superannuation products, managed investments and financial advice.



4. Technology risks: Focus on the impacts of technology in financial markets and services, drive good cyber-risk and operational resilience practices, and act to address digitally enabled misconduct, including scams.

For information on how we will deliver on these priorities, see the [Actions](#) section.

Internal priorities

Our internal priorities aim to strengthen our operational capabilities so that we are able to carry out our work effectively and efficiently.



1. Digital technology: Expand our use of digital technology to support more efficient processes in our regulatory work in line with our digital strategy.



2. Data and analytics: Increase our efficiency and effectiveness by improving access to information and adopting new analytical tools in line with our data strategy.



3. People and resourcing: Recruit and retain talent, enhance our skills, and improve our budget and planning process to ensure our resources are aligned to our priorities.



4. Modernising business registers: Continue to support the successful transfer of ASIC registers to the Australian Business Registry Services.

For information about how we will deliver on these priorities, see the [Capabilities](#) section.

Actions

To deliver on our external priorities, we will undertake a number of projects, including eight core strategic projects. We will also continue our ongoing regulatory work.

Core strategic projects

As part of delivering on our external strategic priorities over the next four years, we will focus on eight core strategic projects.

CORE STRATEGIC PROJECT

Scams

Scammers are taking advantage of heightened economic uncertainty and using social media and other technology to target consumers. We will focus on disruption to act against investment scams. We will take a data-informed approach and work with other agencies to target investment scams more effectively.

Our actions will include:

- › developing enhanced, data-informed approaches to identifying, quantifying and disrupting scams
- › working with other regulators and law enforcement agencies, both domestic and overseas, to disrupt scams and coordinate enforcement strategies
- › reviewing the scam identification and response strategies of authorised deposit-taking institutions (ADIs)
- › improving our communications and consumer education, including through social media, to help consumers be more aware of scams and how to identify them
- › taking enforcement action to deter serious investment scams.

External priorities




Technology risks



Retirement decision making



Sustainable finance



Sustainable finance practices

There is a rapid evolution underway in sustainable finance practices. We will take action to prevent harms arising from greenwashing and to support effective climate and sustainability governance and disclosure. We will continue to work with other agencies and international peers to coordinate action and improve practices in this area.

Our actions will include:

- › oversight of sustainability-related disclosure and governance practices of listed companies, managed funds, superannuation funds and green bonds
- › licensing and supervision of carbon and related markets
- › implementing a new Memorandum of Understanding (MOU) with the Australian Energy Regulator to address misconduct in gas and electricity markets
- › continuing to work with peer domestic and international regulators (such as the Council of Financial Regulators Climate Working Group and the International Organization of Securities Commissions Sustainable Finance Task Force) on sustainable finance developments
- › taking enforcement action against misconduct, including misleading marketing and greenwashing by entities.

External priorities



Sustainable finance



Crypto-assets

Crypto-assets and decentralised finance (DeFi) are global phenomena that reach beyond geographic jurisdictions and the remit of any single Australian regulator. ASIC will take action to protect investors from harms posed by crypto-assets that fall within our remit. We are committed to using the full range of our powers to preserve the integrity of the Australian financial markets.

Our actions will include:

- › supporting the development of an effective regulatory framework focused on consumer protection and market integrity following the recent consultation by Treasury
- › taking enforcement action to protect consumers from harms associated with crypto-assets, including those that mimic traditional products but seek to circumvent regulation
- › supervising and assessing Product Disclosure Statements and target market determinations of major crypto offerings within our jurisdiction
- › implementing and monitoring the regulatory model for exchange traded products with underlying crypto investments
- › raising public awareness of the risks inherent in crypto-assets and DeFi
- › working with domestic and international peers to monitor risks, develop coordinated responses to issues and develop international policy regarding crypto-assets and DeFi.

External priorities



Technology risks



Product design and distribution



Design and distribution obligations

The design and distribution obligations came into effect on 5 October 2021. These obligations require financial product firms to design products that meet the needs of consumers and ensure those products are being targeted to the right consumers. We will pursue targeted, risk-based surveillances and take enforcement action, including issuing stop orders, and other regulatory action to address poor design and distribution of products. We will focus on sectors and products that pose the greatest risks of consumer harm and apply a design and distribution obligations lens when responding to poor consumer outcomes that we identify.

Our actions will include:

- › conducting surveillance of superannuation trustees' distribution practices in relation to choice superannuation products, and examining the role of financial advisers and their licensees in the distribution of underperforming choice products
- › seeking further improvements to consumer outcomes in the credit sector by collecting data from credit card issuers, reviewing target market determinations and assessing consumer outcomes
- › reviewing the product governance arrangements of selected small amount credit and buy now pay later providers, which will include a review of how target market determinations were developed and the data and metrics that inform review triggers
- › conducting surveillance of a sample of target market determinations in the superannuation and managed funds sectors
- › engaging with major supervised institutions on how they are using the design and distribution reforms to improve customer outcomes
- › taking enforcement action to address poor design and distribution of products, including in relation to insurance, superannuation, credit and other financial products.

External priorities



Product design and distribution



Retirement decision making



Breach reporting

The new reportable situations regime commenced on 1 October 2021. Reports lodged under the regime help ASIC to identify emerging trends of non-compliance and enable early detection of significant non-compliant behaviours. The new regime also introduced an obligation for ASIC to publish information about reportable situations to enhance accountability and provide an incentive for improved behaviour. We are aware that the new regime has led to a number of implementation challenges. We will continue to engage with stakeholders and to design solutions that ensure the objectives of the regime are met.

Our actions will include:

- › continuing to closely monitor the operation of the new regime to further support industry with the practical implementation of the new obligations
- › working with stakeholders to implement solutions that will improve the consistency and quality of reporting practices, which may involve providing further guidance
- › preparing ASIC's first report on reportable situations and developing a framework for ongoing publication of information about the reports received
- › developing enhanced data analytics capabilities to harness the value of the information we receive under the regime to achieve better regulatory outcomes.

External priorities



Retirement decision making



Product design and distribution

Cyber and operational resilience

Cyber and operational resilience among financial markets and service providers minimises the risk of disruption from cyber attacks and promotes confidence in markets. We will raise awareness and undertake proactive supervisory actions to encourage active management of operational risks and continuous improvement of cyber and operational resilience practices. We will take enforcement action against egregious conduct.

Our actions will include:

- › implementing a cross-industry self-assessment to benchmark cyber resilience in our regulated population, refine our risk framework and develop sectoral insights
- › conducting surveillance to monitor cyber and operational resilience among our regulated entities, and engaging with them to promote good practices and support initiatives that enhance cyber resilience
- › partnering with other financial regulators to harmonise regulatory approaches and action
- › updating the legal and compliance obligations for regulated entities that were first published in [Report 429](#) *Cyber resilience: Health check*, and consolidating and updating existing ASIC guidance on cyber resilience
- › supporting the implementation of whole-of-government cyber resilience initiatives relevant to ASIC's regulated entities
- › partnering with financial regulators on key cyber-resilience initiatives, including the Trans-Tasman Council of Banking Supervision's cyber-attack protocol and the Council of Financial Regulator's Cyber and Operational Resilience Intelligence-led Exercises (CORIE)
- › monitoring implementation of the expectations set out in [Report 708](#) *ASIC's expectations for industry in responding to a market outage* on market resilience, the new technology and operational resilience market integrity rules for market participants and market operators, and the new Cboe trading system
- › taking enforcement action against our regulated population where there are egregious failures to mitigate the risks of cyber attacks and related governance failures relating to cyber resilience.

External priorities



Technology risks



Financial Accountability Regime (FAR)

The FAR is intended to improve the risk and governance cultures of entities in the banking, superannuation and insurance sectors. We will continue to work closely with APRA to implement the regime through guidance, industry engagement and effective registration processes. Subject to the passage of legislation, we will work together to facilitate a smooth implementation of the FAR.

Our actions will include:

- › developing guidance and external engagement forums for industry
- › implementing a coordinated risk-based approach to registration activities under the regime
- › increasing our focus on individual accountability in our regulatory and enforcement approach.

External priorities



Product design and distribution



Retirement decision making



Technology risks

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Digital technology and data

We will continue to bolster ASIC's capabilities to be a leading digitally enabled, data-informed regulator. We will use data and technology to more quickly and accurately identify harms in our environment, conduct better analysis of data assets to support improved decision making, and drive more efficient, proportionate and targeted regulation.

Our planned actions are detailed in the [Capabilities](#) section.

External priorities



Product design and distribution



Sustainable finance



Retirement decision making



Technology risks

Other strategic work

As well as our core strategic projects described above, we will undertake a range of other projects, most of which are shorter term and will support the delivery of our external strategic priorities. We have set out the key projects and actions by industry sector below. Expected timeframes are from 1 July 2022.

Cross-sector

Misinformation about investment products

We will take enforcement action against:

- › misleading or deceptive conduct, including advertising and digital promotions that misrepresent performance, risks or the nature of products
- › inappropriate gamification, social trading and 'finfluencer' conduct.

Expected timeframe: 1 year+

External priority: 1

High-risk property schemes

We will take enforcement action to address mismanagement of property schemes, including responsible entity failures and inappropriate financial advice relating to high-risk schemes that expose investors to significant losses.

Expected timeframe: 2 years+

External priority: 3

Review of whistleblower programs

We will review whistleblower programs from a sample of regulated entities to understand:

- › how they handle whistleblower disclosures
- › how they use the information from disclosures to address issues or misconduct, or change their operations
- › the level of board and executive oversight of the program.

We will also communicate our expectations and good practices regarding whistleblower programs

Expected timeframe: 0.5 years

Compensation scheme of last resort (CSLR)

We will support establishment of the CSLR, subject to passage of legislation, and work with Treasury and the Australian Financial Complaints Authority (AFCA) to deliver regulatory guidance.

We will also implement a levy system to support the scheme.

Expected timeframe: 1 year

External priority: 1

ASIC's Indigenous Financial Services Framework

We will finalise and implement the framework to underpin ASIC's role in driving positive financial outcomes for Aboriginal and Torres Strait Islander peoples.

Within ASIC's Indigenous Outreach Program, we will focus on strengthening engagement with stakeholders, focusing implementation around Indigenous voices and experience.

We will also develop a data strategy to measure and evaluate outcomes.

Expected timeframe: 1 year+

External priority: 1

Superannuation

Review of trustee transparency

We will review industry practice, communicate our expectations regarding trustees' disclosure obligations, and drive changes that improve transparency.

Expected timeframe: 2 years

External priority: 3

Trustee oversight of advice fee deductions

We will conduct surveillance of trustees' oversight of advice fee deductions.

Expected timeframe: 2 years

External priority: 3

Performance test failure communications

We will monitor underperformance notifications and other communications by trustees that have products that fail the APRA performance test.

We will also take enforcement action against misleading conduct relating to fund performance.

Expected timeframe: 1 year+

External priority: 3

Internal dispute resolution in superannuation

We will continue our surveillance of internal dispute resolution practices, including by analysing data and reviewing complaint responses, to assess trustees' compliance with new enforceable standards.

We will also communicate our findings to drive continued improvements by trustees.

Expected timeframe: 1 year

External priority: 3

Retirement income covenant

With APRA, we will review trustees' implementation of the retirement income covenant, and communicate our findings to drive improved retirement outcomes for consumers.

Expected timeframe: 1 year+

External priority: 3

Insurance in superannuation

We will continue our surveillance of superannuation trustees on issues previously raised by ASIC, including those outlined in [Report 633 Holes in the safety net: A review of TPD insurance claims](#) and [Report 675 Default insurance in superannuation: Member value for money](#).

We will also communicate our findings to drive continued improvements by trustees.

Expected timeframe: 1 year

External priority: 1

Financial advisers

Adviser registration

We will facilitate the registration of relevant providers.

We will also engage with licensees and advisers to ensure they understand and comply with their new registration obligations.

Expected timeframe: 1 year

External priority: 1

Administration of the financial adviser exam

We will administer the financial adviser exam.

We will also review the Financial Advisers Register to ensure it correctly records the authorisation status of existing advisers who have not passed the financial adviser exam by the relevant date, and engage with licensees who have not removed advisers from the register as required.

Expected timeframe: 2 years+

External priority: 3

Financial Services and Credit Panel (FSCP)

We will operationalise the FSCP, ensuring its efficient and effective operation as the single disciplinary body for financial advisers.

Expected timeframe: 1 year

External priority: 3

Investment managers

Corporate collective investment vehicles (CCIVs)

We will implement the new CCIV regime.

Expected timeframe: 1 year

External priority: 3

Marketing of performance and risks

We will conduct surveillance of the marketing of managed funds that are likely to appeal to retail and unsophisticated wholesale investors, such as some retirees, focusing on statements about fund performance and risks.

Expected timeframe: 1 year

External priority: 1

Credit and banking

Financially vulnerable credit consumers

We will take action, including enforcement action, to protect financially vulnerable consumers affected by predatory lending practices, high-cost credit, debt management misconduct or debt collection misconduct, including conduct by unlicensed or 'fringe' entities.

Expected timeframe: 1 year+

External priority: 1

Better banking for Indigenous consumers

We will engage with and influence ADIs to provide suitable banking products to Indigenous consumers.

Expected timeframe: 1 year

External priority: 1

Insurance

General insurance claims handling

We will analyse consumers' experience when making home insurance claims (following disasters and other events) and identify poor claims handling conduct.

We will take enforcement action against claims handling misconduct.

Expected timeframe: 2 years+

External priority: 1

General insurance pricing misconduct

We will engage with general insurers in relation to pricing practices, and review the use of unfair pricing practices (e.g. price optimisation practices).

We will also take enforcement action against pricing misconduct.

Expected timeframe: 1 year+

External priority: 1

Market infrastructure

CHES implementation

We will closely supervise ASX's implementation of the CHES replacement, including its:

- › governance of the CHES replacement program
- › replanning activities so that the market has a high degree of confidence in a revised go-live date
- › management of the risks associated with the implementation of the program, including its single cutover approach to migrate to the new system
- › engagement with stakeholders
- › compliance with the functional and technical requirements for the new system, including the scalability, security and resilience of the replacement system.

We will monitor:

- › ASX Clear and ASX Settlement's compliance with the additional licence conditions, including the provision of the independent expert's reports on ASX's Assurance Program and the status of any remedial actions
- › attestations by senior executives and the board that the system and ASX is operationally ready to migrate
- › ASX's continued investment and maintenance of the current CHES system so that it continues to service the market reliably until, at least, the CHES replacement revised go-live date.

We will also analyse and assess the ASX operating rules changes necessary for the CHES replacement, and provide ASIC's advice to the Minister's delegate as to whether to disallow all or a part of the changes.

Expected timeframe: 2.5 years

External priority: 4

Trade reporting rule changes

We will align the over-the-counter (OTC) derivatives trade reporting requirements in Australia with international requirements, including for the Unique Transaction Identifier (UTI), the Unique Product Identifier (UPI) and Critical Data Elements (CDE).

We will also enhance data aggregation and surveillance capabilities, and effective information sharing.

Expected timeframe: 2 years

External priority: 4

Market supervision

Artificial intelligence, machine learning and automated order processing

We will review artificial intelligence and machine-learning practices, risks and controls among market intermediaries.

We will also develop automated order processing rules and guidance for futures participants.

Expected timeframe: 2 years

External priority: 4

Marketing and distribution practices

We will conduct thematic reviews and targeted surveillances of market intermediaries' marketing and distribution practices to:

- › identify and address harms resulting from gamification and algorithmic and copy trading
- › address misleading and predatory hawking tactics
- › identify and assess inducements.

Expected timeframe: 1 year

External priority: 1

Binary options product intervention order

We will take action to extend, amend or allow the binary options product intervention order to lapse on its expiry in October 2022.

Expected timeframe: 0.5 years

External priority: 1

Corporations

Using technology to identify poor market disclosure

We will work with the Department of Industry, Science, Energy and Resources to implement the Business Research Innovation Initiative.

We will also work with two regtech scale-up businesses to develop an innovative technology solution to identify and assess poor market disclosure by listed companies.

Expected timeframe: 1.5 years

External priority: 1

Financial reporting and audit

Self-managed Superannuation Fund (SMSF) Auditor Supervision Refresh

We will refresh supervision of SMSF auditors, including by:

- › replacing the SMSF auditor exam
- › updating the competency standard (legislative instrument)
- › enhancing the process for co-regulation of SMSF auditors with the Australian Tax Office (ATO)
- › refining decision-making templates and processes.

Expected timeframe: 1.5 years

External priority: 3

Registered liquidators

High-risk registered liquidators

We will identify and triage high-risk registered liquidators and take action to address risks and harms identified.

We will also use natural language processing to identify independence and disclosure concerns.

Expected timeframe: 1.5 years

Assetless Administration (AA) Fund

We will use the AA Fund to provide registered liquidators with funding (that is otherwise unavailable) to:

- › pursue relevant matters to identify and report on potential serious misconduct (including illegal phoenixing)
- › take action to recover assets of the company dissipated through misconduct.

Expected timeframe: 1 year+

Ongoing regulatory work

Over the next four years, we will continue to conduct a range of ongoing work alongside our strategic projects to fulfil our statutory objectives and achieve our vision.

Enforcement

Our enforcement action aims to maximise deterrence, enhance market integrity and reduce harm to consumers (particularly vulnerable consumers) of financial services.

We will continue to focus our enforcement work on areas of greatest harm, including:

- › misconduct that damages market integrity, including insider trading, continuous disclosure breaches or failures, market manipulation, and governance failures
- › misconduct that impacts Indigenous Australians
- › misconduct involving a high risk of significant consumer harm, particularly conduct that targets financially vulnerable consumers
- › systemic compliance failures by large financial institutions resulting in widespread consumer harm
- › participating in the Serious Financial Crime Taskforce and Phoenix Taskforce, to combat serious and complex financial crime and illegal activity.

Supervision and surveillance

We will conduct targeted surveillances across our regulated population to ensure that entities and individuals are acting in the best interests of consumers and investors. This includes surveillance of corporate transactions, market activities, and financial reporting and audit quality. Our surveillances will also help ensure that financial services providers have the resources, competence and systems to operate efficiently, honestly and fairly.

As part of our institutional supervision work (previously known as close and continuous monitoring), we will devote dedicated supervisory resources to a select group of regulated entities that present the greatest potential harm to consumers and investors.

Guidance

We will continue to provide guidance to industry about how we plan to administer and enforce the law – especially in relation to new legal requirements. We will also provide guidance on what we consider to be good practice, where appropriate.

Our guidance aims to assist businesses to comply with the law with minimum compliance costs. We consult with industry and seek their feedback to inform our guidance.

Licensing and registration

We will continue to assess applications for Australian financial services (AFS) licences, Australian credit licences, and scheme and professional registrations (e.g. as company and SMSF auditors). We will continue to manage registered liquidator registrations and registrations of managed investment schemes.

Our assessments help ensure that only fit and proper persons are granted a licence or registration, and that entities and individuals have the competence and resources to meet their obligations.

Engagement

We will continue to engage with our six external panels, which are comprised of representatives from the academic, consumer, industry, legal and regulatory sectors. They inform our understanding about developments and systemic risks within our regulatory environment. These panels are the:

- › ASIC Consultative Panel
- › ASIC Consumer Consultative Panel
- › Markets Consultative Panel
- › Digital Finance Advisory Panel
- › Financial Advisers Consultative Panel
- › Corporate Governance Consultative Panel
- › Cyber Consultative Panel.

We will continue to engage closely with peer regulators and agencies, domestic and international, to enhance cooperation and positively influence the operation and regulation of global financial markets – for example, through information sharing with APRA and active participation in the Council of Financial Regulators and Trans-Tasman Council on Banking Supervision.

We will continue to support and facilitate innovative businesses and advancements in technology that are beneficial to consumers, investors and markets. For example, we will:

- › promote and provide assistance to financial technology (fintech) and regulatory technology (regtech) businesses through our Innovation Hub
- › administer the Australian Government’s enhanced regulatory sandbox to allow the testing of certain innovative business models without first having to obtain an AFS or credit licence
- › participate in information sharing and domestic and international discussions on innovation – for example, through fintech meetups and quarterly Regtech Liaison Forum meetings.

We will facilitate cross-border financial activities and capital flows by:

- › facilitating international business opportunities, for example by supporting the Australian Government in the negotiation of free trade agreements
- › contributing to the work of international bodies such as the International Organization of Securities Commissions (IOSCO), the Global Financial Innovation Network (GFIN), the Financial Stability Board (FSB) and the Organization for Economic Cooperation and Development (OECD)
- › negotiating and implementing bilateral and multilateral agreements and MOUs.

We will address potential harms flowing from the interconnectedness of global financial markets. This includes harms that stem from cross-border misconduct, cross-border corporate transactions and the operational complexities of entities operating within multiple jurisdictions and licensing regimes.

Regulatory relief

We will continue to provide relief, where appropriate, to participants in capital markets and the financial services industry to facilitate business, promote innovation and support the Australian economy.

Education

We will continue to improve the skills and knowledge of consumers and provide information and tools to help them in their decision making. We will do this by:

- › providing consumer education and information, primarily through the Moneysmart website and stakeholder programs (such as Moneysmart for teachers)
- › researching and analysing how consumers make financial decisions and developing interventions to improve those decisions.

We will continue to focus on vulnerable consumer segments, including segments that are at a heightened risk of consumer harm.

We will continue to support small businesses and engage with them to better understand their short-term and long-term challenges and needs. We will provide relevant information and resources, and take action, including enforcement action, to protect them.

We will continue to engage with and support small businesses impacted by the pandemic and natural disasters, many of which are in regional and rural areas. We will also continue to engage with and support Indigenous and culturally and linguistically diverse (CALD) small businesses.

Capabilities

Our internal change program will strengthen our capabilities in line with our internal strategic priorities.

Over the next four years, we will strengthen our capabilities to ensure we can continue to perform our work in an efficient and effective manner.

Digital technology and data

In July 2022, we finalised our digital strategy. The strategy outlines how we will deliver on our vision to become a leading digitally enabled, data-informed regulator by 2030. It also sets out principles that will support the achievement of that vision as well as a high-level roadmap of initiatives we will undertake over the next five years.

Our digital strategy is informed by our data strategy. Together they will enable ASIC to become a more collaborative and digitally connected workplace that leverages digital technologies and data to support our people in achieving effective and efficient regulatory outcomes.

Over the next four years, we will continue to increase our use of digital and data technologies to:

- › deliver a simple, streamlined interface with those who interact with us, making it as easy as possible to comply with the law. This includes creating a self-service approach to our services, ensuring that external stakeholders can access the information that they need without needing to email or call
- › collect more data and enable straightforward access to relevant, timely and trusted data to support decision makers
- › use data analytics, artificial intelligence and machine-learning technologies to more quickly and accurately identify harms in our environment
- › leverage automation to reduce processing work for ASIC staff
- › share our rich data sets to enable cross-agency and international collaboration and provide data, where appropriate, to third parties for research and innovation
- › ensure our digital assets and the data we hold is kept secure and used appropriately in a rapidly changing cyber-security environment.

We do not currently have the powers to collect granular recurrent data across all financial services and credit sectors that we regulate. However, we have been developing recurrent data collections where possible in collaboration with our peer regulators, particularly APRA. We will also continue to work with Treasury to explore law reform that can enhance ASIC's data collection powers.

In some instances, ASIC has been granted powers to collect recurrent data. For example, we have been provided with external dispute resolution data from AFCA since 2019 and internal dispute resolution data will be provided by financial entities from January 2023 onwards.

We are developing ways to effectively leverage these recurrent data sets to inform our regulatory work. The availability of recurrent data will enhance our ability to make evidence-based observations and proactively identify potential consumer harms.

In the next 12 months, we will focus on increasing our use of automation and expanding our use of advanced analytics, including artificial intelligence and machine learning. We will develop and enhance our data lake platform to allow ASIC to store and process data at the scale required, and provide our analysts with access to the latest analytic tools.

We will commence the upgrade of our licensing systems, including piloting new technologies to improve the user experience and reduce the time taken to process licence applications. We will investigate ways in which digital technologies can make our regulatory guidance easier to access, and invest in tools and technologies to help ASIC staff become more effective and efficient.

In the longer term our focus will be on expanding our machine-to-machine offerings to facilitate seamless digital interactions with ASIC. We will progress digital data standards to improve the quality of the data we collect, improve our regulatory sandbox, share anonymised data sets to enable research and innovation, and upgrade our regulatory interactions across our portal.

We will work with government on any identified need for support to realise our broader data and digital strategies.

We will continue to forge new partnerships with domestic and international regulators, thought leaders, and academics so that we can extract insights from data in the most effective way.

To support and grow our data capabilities, we will recruit data professionals and work with partners with relevant expertise.

Investing in our core infrastructure and cyber security remains an ongoing focus for ASIC. We will continue to invest in our cloud-based infrastructure, building on our existing foundations to take advantage of the scalability, resilience and functionality that cloud services can provide, while reducing our technical data centre footprint.

We are committed to protecting the privacy of individuals and entities. We will maintain high standards of information security, data governance and ethics. Our internal cyber resilience will continue to be a major area of focus over the next four years. We will continue our program to increase security around three core objectives:

- › proactive cyber governance and risk management
- › increased cyber safety awareness within our organisation
- › proactive cyber protection, detection and response.

Regulatory efficiency

The Regulatory Efficiency Unit (REU) was set up in November 2021 to identify and make changes to the way ASIC administers the law and to make it easier for industry and other stakeholders to interact with ASIC.

Following consultation with a wide range of stakeholders, the REU has developed three regulatory efficiency initiatives:

- › enhancing the development and maintenance of our regulatory guidance
- › enhancing practices in ASIC's information gathering activities and piloting planning meetings at the start of investigations
- › reviewing our existing stakeholder engagement approach and considering a more regular and multi-channel engagement with our regulated population, with a case study focus on ASIC's licensing engagement model.

The initiatives are intended to help both external stakeholders and ASIC achieve market integrity and consumer protection outcomes.

The REU will continue to engage with our regulated population and external stakeholders to ensure the initiatives achieve their intended goals, with the first outcomes expected to be realised in 2022–23.

People

Over the next four years, we will continue to invest in our workforce and support our people to make confident decisions and to maximise our regulatory outcomes.

In 2022–23, we will begin implementing a new, ASIC-wide people strategy that outlines a roadmap of initiatives aligned to our internal and external strategic priorities over the next four years.

The strategy is built on three pillars:

- › to support and enable ASIC to be more digitally enabled and to effectively regulate emerging areas
- › to equip our people with the right mindset, tools and capabilities to ensure we are an engaged, thriving and diverse workforce
- › to uplift organisational leadership to embed a whole-of-ASIC culture that supports our priorities.

The benefits we aim to achieve through the implementation of the strategy include:

- › an improved ability to attract, retain and mobilise our talent
- › increased digital and data capabilities
- › an enhanced organisational culture
- › greater simplicity of our processes and technology
- › stronger capabilities to deliver on our objectives as a regulator.

We will continue to focus on improving the visibility of workforce capabilities, refining the ASIC-wide capability architecture and improving our leadership skills.

The ASIC Capability Framework sets out the capabilities that we need to be the most effective regulator that we can be now and in the future, including in a more digitally enabled environment. We will continue embedding the capability framework across the organisation, including in position descriptions and recruitment activity, leadership and learning programs, career pathways, and talent management.

Data, technology and business system literacy will remain a key learning area across ASIC. We will continue to ensure that we have the expertise required to effectively collaborate and carry out our work, including our core strategic projects.

As at 1 July 2022, ASIC employed 2,068 people. Our people are from a diverse range of backgrounds, working under many different arrangements (i.e. full-time, part-time and temporary). We remain committed to being a workplace that embraces inclusion, diversity and belonging. In 2022–23, we will renew our strategic approach to diversity and inclusion, including how we measure our impact in this area, both internally and externally by participating in the Diversity Council of Australia's *Inclusive Employer Index*.

The safety and wellbeing of our people remains paramount. We will continue to use recognised benchmarks to monitor staff wellbeing, and ensure consistency with Safe Work Australia's work health and safety guidelines. We will also introduce a new organisational survey to deepen our understanding of the wellbeing of our people.

As pandemic restrictions ease and we are able to return to the office, we will continue to adopt a hybrid-working model. This reflects our commitment to creating flexible work conditions that have a positive impact on individual wellbeing and organisational outcomes.

In 2022–23, we will finalise negotiations on a new Enterprise Agreement, with conditions that support the needs of our people and align with our strategic direction.

Modernising business registers

As part of the 2020 Budget Digital Business Plan, the Australian Government announced the full implementation of the Modernising Business Registers (MBR) program. The MBR program is establishing a new modern registry service, the Australian Business Registry Services (ABRS), which will bring together the Australian Business Register and 32 ASIC business registers in one place, and introduce the director identification number initiative. The MBR program aims to:

- › make it easier for businesses to meet their registration obligations, leaving them with more time to focus on their customers and business operations
- › make business information more trusted and valuable
- › improve the efficiency of registry service transactions.

In April 2021, the ASIC registry staff moved to the ATO to assist the Registrar of the ABRS, through a machinery of government change. The Registry Interactions and Services team within ASIC manages ASIC's relationship with the Registrar, underpinned by an inter-agency MOU.

While ASIC retains primary responsibility for statutory registry functions under the law, we remain committed to providing efficient and accessible business registers that make it easier to do business.

We will continue to work closely with the Registrar on administration of the registry for the benefit of all Australians, including by providing registration services to enable businesses to operate in Australia. We will undertake registry integrity activities and provide accessible registry information consistent with the Government's data policies.

We will also continue to:

- › support the transfer of primary responsibility for statutory registry functions from ASIC to the Registrar
- › strengthen arrangements for cooperation between ASIC and the Registrar in the performance of our respective functions, including by adapting and uplifting our capabilities to facilitate interactions with the Registrar
- › implement Government policy and reforms in collaboration with the Registrar
- › facilitate the migration of ASIC registry data and services to the Registrar, and build pathways for exchange of data between ASIC and the Registrar
- › build services for lodgements of relevant transactions through the ASIC Regulatory Portal.

Governance and risk

We will continue to apply our governance model and risk management framework.

Governance

ASIC is an independent Commonwealth agency that is a body corporate established under the ASIC Act. The ASIC Act provides for the appointment of an ASIC Chair, up to two Deputy Chairs, and ASIC Commissioners to oversee the carrying out of ASIC's statutory duties and functions.

We are accountable to the Commonwealth Parliament and to our responsible ministers. The Parliamentary Joint Committee on Corporations and Financial Services has oversight of ASIC. We also appear before other parliamentary committees and inquiries as required, including the Senate Standing Committee on Economics and the House of Representatives Standing Committee on Economics.

The FRAA is an independent oversight authority that undertakes biennial reviews to assess the effectiveness and capability of ASIC and APRA. The relevant minister can also direct the FRAA to prepare a report on any matter related to the regulators' effectiveness and capability. The FRAA commenced its first review of ASIC in July 2021 and will be publishing its final report shortly.

Our governance and accountability framework serves to ensure we act strategically, act with integrity, and effectively deliver on our statutory objectives. The framework provides well-defined responsibilities, accountabilities and processes for the Commission, our executive leaders and various committees.

This framework sets out a clear, transparent and common understanding of ASIC's governance and accountability structures and processes. Its objective is to promote effective, efficient and impartial decision making at ASIC and articulate accountabilities.

ASIC's [Management Accountability Regime](#) (AMAR) applies to accountable persons of ASIC who have senior executive responsibility for management or control of ASIC, or a significant part of the operations of ASIC. ASIC's accountable persons are:

- › the Chair (acting as the Chair and the accountable authority, as well as a member of the Commission) and each Commissioner
- › each executive director and other key staff.

The Chair has sole executive management responsibility. As the accountable authority, the Chair relies on ASIC's key senior executives to carry out day-to-day management activities and deal with operational issues. The Chair delegates functions where he considers this would benefit the executive management of ASIC.

ASIC's Chief Operating Officer (COO) is responsible for the operational performance of ASIC. The COO enhances ASIC's governance by enabling the Commission to focus on strategic matters, external engagement and communication.

The Commission is a strategic non-executive body with statutory responsibility for regulatory decision making and priorities. It will continue to provide support to the Chair on organisational oversight.

The accountability statements for each accountable person provide a transparent and common understanding within ASIC of:

- › where accountability lies for any particular aspect of ASIC's operations and who each accountable person is accountable to
- › how a given individual meets their obligations as the accountable person – including, for example, by making decisions, serving as a point of review or challenge, or escalating as appropriate.

Budget

ASIC's funding is set by the Australian Government. ASIC has total available funding of \$446 million in 2022–23, down 11% from the previous year. Our departmental operating appropriation for 2022–23 is \$414 million, down 2% mainly due to the termination of funding for the non-ongoing components of enforcement measures.

We take a strategic approach to the allocation of our budget so that we can deliver on our priorities. We also maintain flexibility in our budgeting to ensure that our priorities can quickly adapt where there are changes in our regulatory environment during the year.

A significant proportion of ASIC’s resources is allocated to enforcement, supervision and surveillance activities. These activities are estimated to account for around 85% of our funded activities in 2022–23.

Under the industry funding model, our regulatory costs are recovered from the industry sectors we regulate. Our approach to how we allocate resources by activity and industry sector is outlined in our [Cost Recovery Implementation Statement](#).

We recover our costs through a combination of:

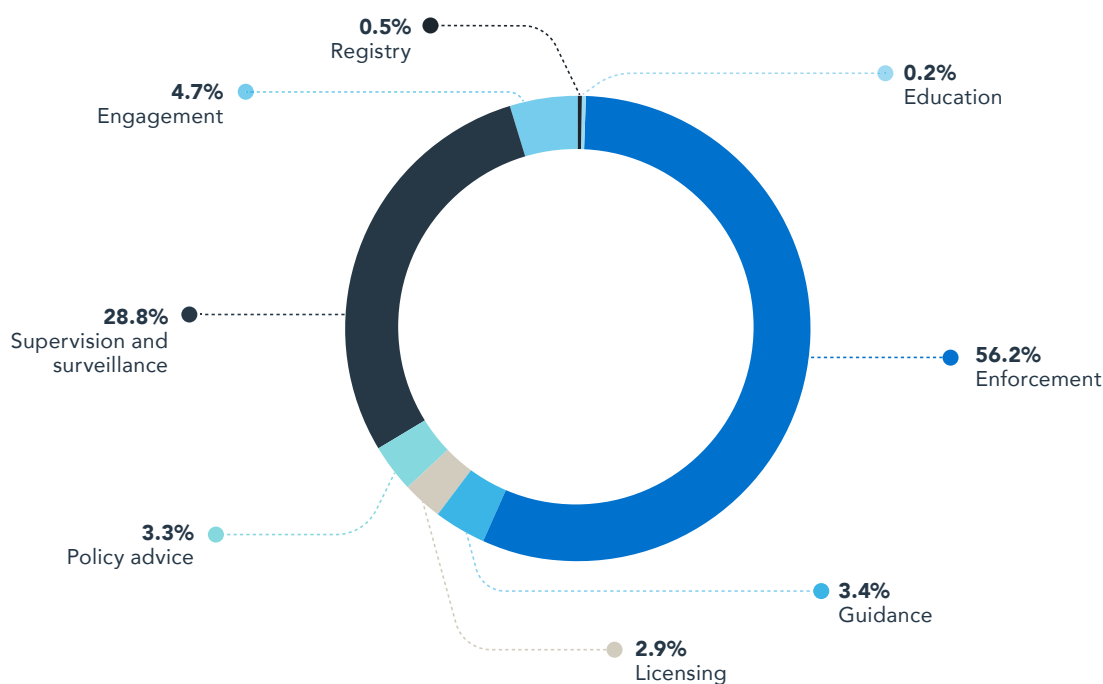
- › cost recovery levies, for ongoing regulatory activities that are consistent with the Australian Government Charging Framework
- › statutory industry levies, for activities the Australian Government has decided should be cross-subsidised between industry subsectors
- › cost recovery fees, for user-initiated, transaction-based activities where we provide a specific service to individual entities.

ASIC’s 2022–23 budget

	2021–22 Estimated actual (\$000s)	2022–23 Budget (\$000s)	2023–24 Forward estimate (\$000s)	2024–25 Forward estimate (\$000s)	2025–26 Forward estimate (\$000s)
Operating expenditure funded by:	\$474,367	\$422,942	\$420,348	\$422,534	\$424,105
Departmental appropriation	\$422,001	\$413,920	\$414,599	\$416,785	\$418,356
Revenue from independent sources	\$52,366	\$9,022	\$5,749	\$5,749	\$5,749
Capital appropriations	\$29,074	\$23,577	\$22,256	\$23,244	\$22,579
Total budgeted resources	\$503,441	\$446,519	\$442,604	\$445,778	\$446,684

Source: Portfolio Budget Statements 2022–23

Proportion of 2022–23 estimated regulatory effort by activity



Note: This breakdown is based on our estimated regulatory effort, not our internal budget allocation. Our annual [Cost Recovery Implementation Statement](#) has further details about our estimated regulatory effort by activity.

Risk management and oversight

Our risk and control framework provides a consistent whole-of-agency approach to enterprise risk management. This framework emphasises a bottom-up and top-down approach to risk identification and mitigation, underpinned by ‘three lines of accountability’ that provide clarity on risk management roles and responsibilities.

We actively engage with our [Risk Appetite Statement](#) to calibrate risk taking across our regulatory and operational activities. We adjust our risk appetite at least annually as our operating environment and strategic priorities evolve.

Oversight of ASIC’s risk assessments and any risks identified (including mitigation strategies for risks outside of tolerance) is provided by several key committees that form part of our governance framework:

- › The Executive Risk Committee provides direction and oversight of the management of ASIC’s enterprise risks (non-regulatory risks), compliance and audit activities. It provides advice to the Commission Risk Committee on significant and material risk and compliance issues.

- › The Commission Risk Committee considers significant or strategic matters referred by the Executive Risk Committee. It has oversight of the performance of ASIC’s risk and control framework, setting our risk management strategy and Risk Appetite Statement.
- › The Audit and Risk Committee operates independently of management. It provides independent assurance to the Chair and Commission on ASIC’s financial performance, risk oversight and management, and systems of internal control.

ASIC’s internal audit function has a dual reporting line to the accountable authority and the Chair of the Audit and Risk Committee.

Together with APRA, we have also developed a structured approach for identifying and managing shared risks in relation to our work together. Shared risks are reviewed periodically to help identify and prioritise areas of joint work where closer monitoring or risk mitigation is required.

ASIC’s key risks and mitigation strategies relevant to this corporate plan are described in the table below.

Risks	Mitigation strategy
Inability to transform ASIC’s workforce to support our digital ambitions and evolving regulatory environment	Workforce and organisational design strategy
	Cross-team secondments, succession, training and mentoring programs to upskill workforce
	Recruitment of people with required skill sets in line with our people capability strategy
	Engagement with government, industry and other agencies to understand upcoming needs
Inability to improve data and digital capabilities to enhance ASIC’s effectiveness as a regulator	Multi-year data and digital strategy
	Pursuing data sharing opportunities with other Commonwealth agencies
	Partnering with industry and academia to deliver and enhance regulatory activities

Risks	Mitigation strategy
<p>Programs and functions are unable to pivot effectively in response to evolving regulatory priorities and emerging threats and harms</p>	<p>Robust Commission and executive governance over priorities</p> <p>In-year adjustment of team and project budget allocations to meet emerging priorities</p> <p>Appropriate recruitment if required</p> <p>Single platform to monitor execution and performance of all business plans</p>
<p>The evolving external environment threatens the security and resilience of our people, information and infrastructure</p>	<p>Health and safety program and hybrid working arrangements</p> <p>Risk-based security program addressing key cyber, personnel and information security exposures</p> <p>Business continuity management program and cross-agency cyber incident response arrangements</p> <p>Regular information sharing with law enforcement and peer agencies</p>
<p>Inability to realise benefits from critical cross-agency programs (e.g. MBR and the FAR)</p>	<p>Formal governance and oversight of program risks and mitigation</p> <p>Formal inter-agency governance of shared risks</p>

Measuring and evaluating our performance

We are committed to evaluating our performance and communicating our outcomes.

Regulator Performance Guide

We will align our performance with the principles of regulator best practice, outlined in the [Regulator Performance Guide](#) (RPG). The guide became effective on 1 July 2021, with a one-year transition period. The principles are as follows:

- › *Continuous improvement and building trust:* Regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture, to build trust and confidence in Australia's regulatory settings.
- › *Risk based and data driven:* Regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden. Regulators also leverage data and digital technology to support those they regulate to comply and grow.
- › *Collaboration and engagement:* Regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

These principles are reflected in the way we operate. For example, our strategic priorities reflect a risk-based and data-informed approach to identifying and addressing the most significant threats and harms in our regulatory environment. We engage with our regulated population through consultation on key regulatory matters, as well as with independent external advisory panels and experts.

Performance measures

When evaluating our performance, we combine quantitative and qualitative indicators to provide a narrative about our approach to addressing our priorities and undertaking our ongoing work. Evaluating our performance informs our approach and plans for our future work.

As ASIC is a law enforcement agency, the volume and results of our surveillance and enforcement activities will remain an important measure of our performance. It will also continue to be of significant interest to our stakeholders and the wider community.

While it is relatively simple to count and report on volumes of activity and output, it is far more challenging to assess outcomes (e.g. changes in behaviour) and improved capabilities.

We are piloting efficiency measures for our ongoing regulatory work. The first tranche of these measures is now being tracked internally. Ultimately, and where appropriate, we intend to report publicly on the efficiency of our activities once we have established suitable baselines and targets.

We are also applying an impact assessment methodology to improve the way we monitor and evaluate the impact of our regulatory interventions. This involves identifying success criteria to support analysis of the outcomes of particular projects. For example, below are three projects and a sample success metric for each:

- › Insurance in superannuation (e.g. reduction in the number of members subject to restrictive definitions in Total and Permanent Disability policies that result in high claim rejection rates)
- › Marketing of performance and risks (e.g. reduction in the level of misleading marketing of fund performance and of associated risks)
- › Binary options product intervention order (e.g. reducing significant retail client losses from trading binary options by banning the sale of these products).

We will continue to refine our impact assessment methodology to measure the impact of our interventions. However, there are currently no widely accepted metrics and benchmarks that enable consistent, data-informed assessments to be made of regulatory and enforcement performance. Developing such metrics requires:

- › deciding on the approach to measure effectiveness and capability – for example, system-wide impacts, impact by activity, impact by priority
- › understanding the data that is available to support this approach
- › determining measurable outcomes
- › deciding on appropriate individual metrics, timescales for applying the metrics, as well as benchmarks and targets, where necessary
- › testing the implementation of the metrics and engaging in an iterative process to refine them as needed.

We will continue to identify appropriate metrics to measure and evaluate our performance. We will engage with the FRAA and with the Australian Government to identify metrics of our effectiveness and capability. We will also identify opportunities to collaborate with other regulators, both domestically and internationally.

Sample outcomes – aligned with our ongoing work

The table below further provides a sample of outcomes that we currently use to evaluate our performance in our ongoing work and evidence of those outcomes.

Area	Outcomes	Outputs and evidence
Enforcement and surveillance	<p>Financial firms and individuals providing financial services meet their obligations, act professionally and treat their clients fairly</p> <p>Entities improve their business practices in response to identified areas for improvement, with these changes reducing harms or improving consumer outcomes</p> <p>Entities have fair and efficient dispute resolution processes in place</p> <p>Misconduct is identified and addressed, wrongdoing is punished</p> <p>Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately</p>	<p>Case studies (e.g. where we have used our regulatory tools to change behaviour in the financial system)</p> <p>Measures of the cleanliness of the Australian listed equity market</p> <p>Operational data (e.g. number of enforcement actions undertaken and results achieved, number of industry reports published)</p> <p>External data (e.g. data published by AFCA)</p> <p>Number and nature of misconduct-related complaints</p> <p>The amount of compensation for wrongdoing provided to investors and consumers</p> <p>Where we exercise our product intervention power, evaluation of the resulting outcome within 18 months</p> <p>Metrics from our impact assessment methodology</p>
Guidance	<p>Assist our regulated population to comply with their obligations, and to drive better compliance</p>	<p>Operational data (e.g. number of regulatory guides published, number of times guides are accessed)</p> <p>Case studies (e.g. where we have published guidance to drive better compliance among our regulated population)</p>
Licensing	<p>We act as an effective frontline gatekeeper to ensure that a licence or registration is granted to applicants who are competent, fit and proper</p>	<p>Operational data (e.g. decisions to grant, vary or cancel AFS and credit licences and other professional registrations, number of applications with additional conditions imposed, service charter results)</p> <p>Case studies (e.g. how we have exercised our licensing powers)</p>

Area	Outcomes	Outputs and evidence
Engagement	We consult with various stakeholders to undertake our work more effectively and efficiently	Case studies (e.g. initiatives that reduce compliance costs and improve efficiency)
	The regulatory system supports the work of innovative start-up businesses and the market testing of novel products and services, while minimising the risk of harm to consumers	Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox Operational data (e.g. number of engagements in a year, joint-agency initiatives, consultation papers published, relief applications assessed and legislative instruments made)
	We promote reduced compliance costs and improved efficiency among our regulated population	Performance against the ASIC service charter targets
Regulatory relief	We exercise our discretionary powers to grant relief or make a legislative instrument appropriately	Operational data, including relief applications assessed and legislative instruments made, including performance against the ASIC service charter targets
Education	People can take action based on ASIC's educational materials	Operational data, including ASIC Moneysmart accessibility and usage
	We support better financial education across Australia's education system	Case studies (e.g. where we have helped Australians to be in control of their financial lives)
	We provide a range of tools and resources to help people understand money and how to manage it	

How we report on our performance

Annual report

We report our performance in our annual performance statement, which forms part of our [annual report](#). Our annual report includes a range of qualitative and quantitative indicators about our performance against our strategic priorities and ongoing work.

We will report our performance against the principles of the RPG in our annual performance statement. A new chapter on 'Engagement and education' in our annual report will further capture our performance under the three principles.

Service charter

In each annual report we report against our service charter performance. If we have not met service standard levels, we explain why.

Our service charter covers:

- › our most regular interactions with stakeholders, such as applications for licences, relief from the law and registration
- › how we respond to reports of alleged misconduct, including timeframes for our response.

ASIC's outcomes by sector

Our annual report highlights the activities and outcomes achieved in each sector during the year, to help industry participants understand the regulatory effort ASIC expended in the sectors we regulate.

Periodic ASIC updates

ASIC publishes an update each quarter to highlight our key work and achievements in working towards our regulatory objectives. It also provides an update on recent enforcement outcomes, and important cases and decisions, and explains how we use our regulatory tools to fulfil our mandate.

The monthly market integrity update highlights our work in the areas of market surveillance, market integrity and markets enforcement. It also highlights regulatory developments and issues affecting market intermediaries. We also publish quarterly data on market characteristics, measures of market concentration and market efficiency.

In addition, we publish a number of other periodic reports and newsletters to communicate our regulatory activities and achievements in particular sectors. These include updates on licensing and professional registration applications, corporate insolvency and corporate finance activities.

Ad hoc reports

We also report on our performance through ad hoc reports or other public communications on the outcomes of our supervisory and surveillance activity.

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