



**ASIC**  
Australian Securities &  
Investments Commission

# 13<sup>th</sup> ASIC Regtech Liaison Forum

2:30pm AEST, Tuesday 24 August 2021





**Cathie Armour**  
**Commissioner, ASIC**

Opening Statement

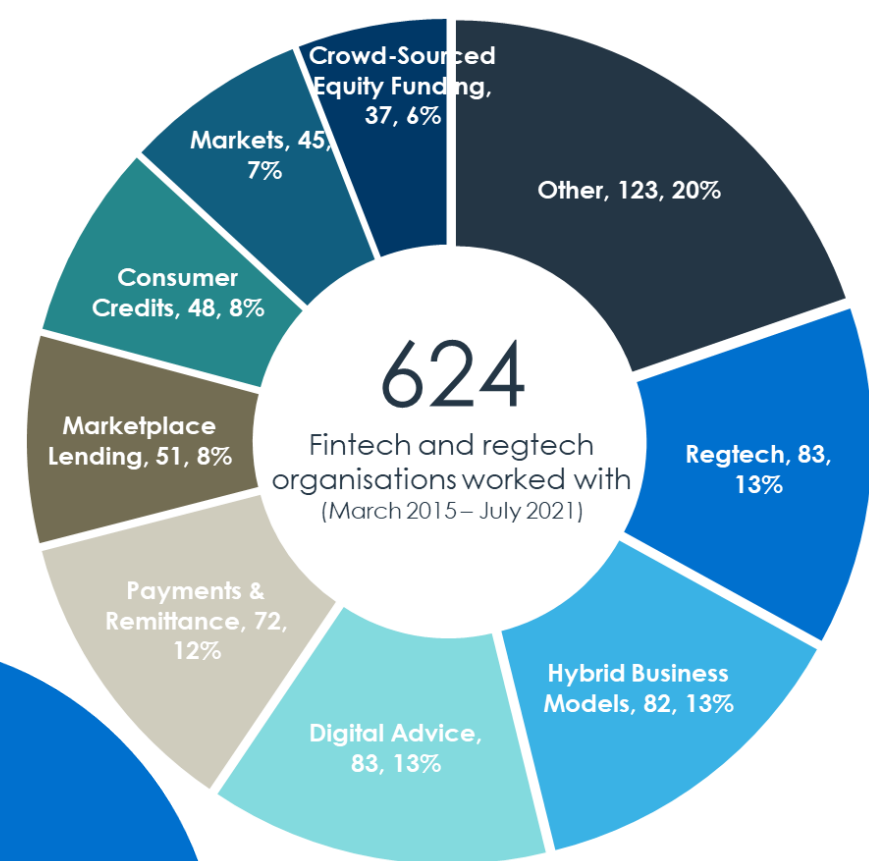
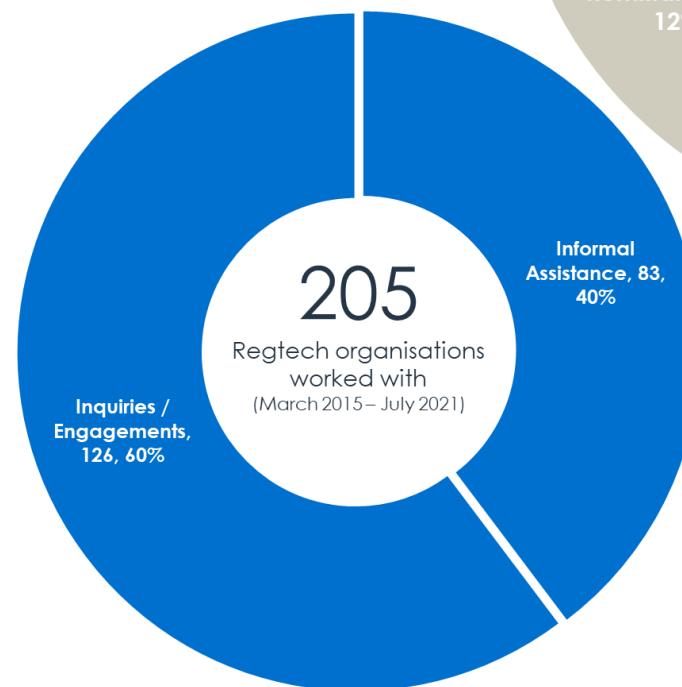


# ASIC Regtech Update

Mark Adams, Senior Executive Leader,  
Strategic Intelligence and Co-Ordinator,  
Innovation Hub, ASIC

# Regtech insights from engagement

- The Hub continues to see steady regtech requests for engagement – sixteen this year to date
- We continue encourage regtechs to inform us of new business models and solution services
- Recent regtech meetings with ASIC are specialising in niche solutions for specific problems (e.g. digital signatures, digital document management and data processing and assessment)





# Global Financial Innovation Network (GFIN)

## GFIN Suptech and Regtech Showcase/Demo Event - June

Event for all GFIN members – arranged by the GFIN Regtech Committee – ASIC leads a workstream.

This virtual session over several days marked a major step in the work of GFIN this year. Focus was placed on the work to date on Regtech ecosystems, Regulatory Reporting, and Suptech and where to next.

Some topics:

- Regtech ecosystems – regulatory standards and recognition – opportunities and barriers
- Regulatory reporting – how best to complement international standard setting bodies
- Suptech – look for collaborative projects

## Cross-border Testing – outcome of latest invitation

In H2 2020, GFIN invited applications from firms to test innovative business models across more than one jurisdiction.

The GFIN received 38 applications across the 23 participating regulators from across five continents. Most applicants operate in the Regtech, payments and wholesale financial markets sector.

Potential applications were assessed against the GFIN eligibility criteria.

Two regtech firms:

- Bedrock AI (market disclosure)
- Business Reporting Advisory Group (banking and insurance data analysis)

Successfully completed joint testing plans with selected regulators (not ASIC) and will begin testing their propositions later in 2021.



# Business Research and Innovation Initiative (BRII)

## State of play

Applications for the Department of Industry, Science, Energy and Resources' (DISER's) Business Research and Innovation Initiative (BRII) Regtech Challenge closed on 17 June 2021. Four challenges.

ASIC's BRII regtech challenge is on poor corporate disclosure.

ASIC received a wide series of applications and we are working with DISER to narrow down a shortlist of potential grant recipients – many thanks to applicants.

Successful applicants will be confirmed and announced later this year (around October) – check DISER's webpage.

## Next stages - feasibility and MVP

Applicants from up to five eligible entities will be asked to undertake a feasibility study that responds to each challenge – Oct 2021 –Jan 2022.

The maximum grant for each regtech for feasibility study stage is \$100,000 with a maximum period of 3 months.

Final stage – 2022-2023 – Minimum viable product development over 12 months – two regtechs – grants of up to \$1M.



# Regtech Association Industry Update


Deborah Young, CEO, Regtech Association



**RegTech**

# ASIC RegTech Liaison Forum

24<sup>th</sup> August 2021

@RegTech\_1 

The RegTech Association 



To see the Regtech Association slides, please watch the recording of the presentation.



Government as buyer/ influencer



Financial Services 1<sup>st</sup> & 2<sup>nd</sup> tier

New sectors



Telco



# RegTech

New positioning



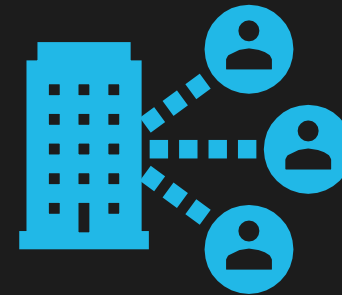
ESG



Centre for global industry data



# RegTech



Workforce



Energy



Member inclusion



# Design and Distribution Obligation (DDO) Industry Discussion

**Facilitator:**

**Mark Adams, Senior Executive Leader,  
Strategic Intelligence, and Co-Ordinator  
Innovation Hub, ASIC**

# Design and distribution obligation (DDO) – Summary

## The obligations – From 5 Oct

- Legislative framework for issuers and distributors to develop and maintain effective product governance processes across the lifecycle of financial products. These apply to most products within ASIC's remit
- Issuers are required to make publicly available a target market determination (TMD) setting out the class of consumers the product is appropriate for; conditions on the distribution of the product and arrangements to review appropriateness of TMD
- Both issuers and distributors, obliged to take reasonable steps towards appropriate distribution, keep records and make notifications if there is evidence of significant departure
- Issuers need to monitor products and consumer outcomes and consider whether changes are required to the product, to the way it is sold or to whom it is being sold

## Implications for industry

- Embed a consumer-centric approach to the product lifecycle while managing non-financial risks and avoiding costly remediation
- Industry associations are assisting their members by developing template TMDs
- Information exchange required between issuers and distributors so issuers can understand the outcomes of their products and their distribution and adjust settings as required
- More oversight of distribution by issuers so they can proactively identify and resolve issues
- IT builds and system changes to facilitate the transfer of complaints and distribution information from distributors to issuers

## DDO Discussion Panellists

**Julian Fenwick**  
*CEO*  
GRC Solutions

**Anna Martin**  
*Senior Manager,*  
*Financial Services*  
*Technology*  
PwC

**Tanushree Dabral**  
*Practitioner and CEO*  
PX Partners

**Leica Ison**  
*CEO and Founder*  
Skyjed



# Thank You

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