

## **Article Information**

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## **ASIC provides response to Royal Commission Final Report**

### **A recent media release by ASIC highlights their response to the Banking Royal Commission.**

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ASIC is committed to accepting and implementing all 12 recommendations directed towards them in the Banking Royal Commission which do not require legislative changes. ASIC will also supervise implementation of 23 recommendations to impose new requirements or restrictions on the entities they regulate.

Whilst ASIC would not comment on any actual or potential investigations, they have announced that they will provide an update on the handling of the 11 specific case referrals from the Royal Commission. ASIC's enforcement teams have also begun investigations into the 12 case studies which were heard at the Royal Commission and have commenced proceedings in relation to two other cases. ASIC is also looking into a further 16 cases to determine whether investigations are needed. It is expected that this will result in a number of referrals to the Commonwealth Director of Public Prosecutions for criminal prosecutions.

ASIC has commented on the need to change their culture to adopt a 'why not litigate?' stance which they publicly committed to in October 2018. Following the recommendations, ASIC is determined to establish a separate Office of Enforcement. A taskforce for its implementation has been put in place and completion is estimated for 2019.

ASIC has accepted that closer coordination with APRA will be needed in order to strengthen the 'twin peaks' model. They welcome the call for greater regulatory accountability via the establishment of a new oversight body and plan to be proactive in collaborating with them. The findings and observations in the Royal Commission's final report will be the basis of ASIC's agenda moving forward. A large number of the recommendations made by the Royal Commission involved reforms ASIC has previously advocated for. These changes will build on the existing reform agenda and changes introduced by the *Treasury Laws Amendment (Strengthening Corporate and Financial Sector Penalties) Act 2018*. Further, ASIC is ready and willing to work with the Government, Parliament and APRA in order to strive for a fair, strong and efficient financial system for all Australians.

Due to the Recommendations put forward by the Banking Royal Commission, it is expected that ASIC will be less willing to participate in negotiated outcomes which are limited to infringement notices, enforceable undertakings or voluntary donations.