



**ASIC**

Australian Securities & Investments Commission

## REPORT 503

# Overview of licensing and professional registration applications: January to June 2016

December 2016

### **About this report**

This report outlines ASIC's decisions on applications for the period from 1 January to 30 June 2016 (relevant period) for:

- new Australian financial services (AFS) licences and licence variations;
- new Australian credit licences (credit licences) and licence variations;
- the registration of liquidators, official liquidators, company auditors and approved self-managed superannuation fund (SMSF) auditors; and
- financial markets, clearing and settlement (CS) facilities, and derivative trade repositories (trade repositories).

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

### Previous reports on ASIC licensing and professional registration applications

Report number	Report date
REP 478	31 May 2016
REP 448	24 September 2015
REP 433	20 May 2015

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# Overview

## ASIC's role

- 1 ASIC is an integrated corporate, markets, financial services and consumer credit regulator. Our regulatory strategic priorities are to: promote investor and financial consumer trust and confidence; ensure fair, orderly and transparent markets; and provide efficient and accessible registration. We regulate entities at every point from 'cradle to grave'—from their incorporation through to their winding up.
- 2 ASIC's various statutory licensing responsibilities are undertaken within two particular areas of ASIC. Applications for Australian financial services (AFS) licences, Australian credit licences (credit licences) and professional registration are assessed by our Licensing team (part of ASIC's Assessment and Intelligence group), while applications for Australian market licences, clearing and settlement (CS) facility licences and Australian derivative trade repository (ADTR) licences are assessed by our Markets Infrastructure team.
- 3 For further background on ASIC's licensing and professional registration responsibilities, please refer to [Report 433](#) *Overview of licensing and professional registration applications: July to December 2014* (REP 433), issued May 2015, paragraphs 1–18.

## Purpose and scope of this report

- 4 This is the fourth six-monthly report published by ASIC providing an overview of licensing and professional registration applications.  
  

Note: For earlier reports, see [Report 478](#) *Overview of licensing and professional registration applications: July to December 2015* (REP 478), [Report 448](#) *Overview of licensing and professional registration applications: January to June 2015* (REP 448) and REP 433.
- 5 From next year, ASIC will publish this report once a year covering the relevant full financial year, commencing with 2016–17.
- 6 The regulatory outcomes in relation to licensing or registration applications discussed in this report relate to:
  - (a) rejection—applications that are rejected for lodgement because they are manifestly defective and do not meet the minimum standards relating to the information and content included in the application;
  - (b) withdrawal—applications that are withdrawn because during our assessment, based on the feedback and requisitions, the applicant considers they would prefer to withdraw rather than proceed;

- (c) approvals—applications that are assessed as meeting the requirement to obtain a licence or licence variation, or for professional registration;
- (d) modifications—applications that result in the granting of a licence that is different from that applied for, or that has additional conditions imposed on it. For example, we might:
  - (i) impose a key person requirement, require a compliance consultant to be appointed, or tailor a special condition to limit the scope of the activity authorised under the licence; or
  - (ii) approve a range of financial services or financial products that the applicant is allowed to offer that is narrower than that applied for; and
- (e) refusals—applications that are refused because we are not satisfied that the statutory requirements for granting a licence or registration have been met.

7 We note that, in addition to the regulatory outcomes associated with refusals or withdrawals, for every application that is approved there may be a combination of regulatory outcomes. This means that the number of regulatory outcomes for approved licences may be higher than the number of applications approved. For example, we may impose a key person condition, require the appointment of an additional responsible manager, and refuse one of the authorisations sought. In this case, while there is a single approved licence application, we consider that we have achieved three beneficial regulatory outcomes.

8 The regulatory outcomes apply equally to applications for a variation to an existing licence.

9 There is a narrower range of regulatory outcomes associated with the registration regime, given the reduced scope for tailoring registrations or the imposition of conditions on registrants compared with licensees.

10 This report sets out the regulatory outcomes achieved by ASIC—for the period from 1 January to 30 June 2016 (relevant period)—in relation to:

- (a) AFS licence applications;
- (b) credit licence applications;
- (c) liquidator registration applications;
- (d) company auditor and approved self-managed superannuation fund (SMSF) auditor registration applications; and
- (e) applications relating to financial markets, CS facilities, ADTR licences and the Companies Auditors and Liquidators Disciplinary Board (CALDB).

- 11 The purpose of this report is to provide greater transparency and understanding of ASIC’s licensing and professional registration activities. It presents statistics and comments on applications and outcomes for these licensing and registration assessments—notably, when outcomes are different to those applied for.
- 12 The information shows that, as a result of our assessment, we may impose additional conditions on and/or make adjustments to the original licence application. In other instances, where we are not satisfied that the applicant is capable of offering the financial or credit services applied for in compliance with the legal obligations, the application may ultimately be refused.
- 13 This report also provides details about how, with the support of other ASIC teams, the Licensing team maintains standards by ensuring that applicants are only licensed to provide financial services and products, or credit activities, that they are competent to provide.
- 14 We will also use this report to highlight particular areas of focus and issues of potential concern. We will continue this dialogue in our discussions with applicants, their service providers and at public licensing-specific forums.
- 15 As a result of other avenues that ASIC has recently introduced for publicising current regulatory issues—including the [Wealth and Funds Management newsletter](#), published on our website at [www.asic.gov.au](http://www.asic.gov.au), which covers a range of financial services issues in these areas—we have decided to make the Licensing team liaison meeting an annual event and to publish this licensing report once instead of twice a year.

## Current areas of focus: Licensing issues

### AFS licensees offering retail OTC derivatives

- 16 Over the past two and a half years, ASIC has had a particular focus on AFS licence applicants and AFS licensees looking at offering financial products or services relating to retail over-the-counter (OTC) derivatives and/or foreign exchange (FX) contracts.

### Compliance issues

- 17 In July 2016, we published [Report 482](#) *Compliance review of the retail OTC derivatives sector* (REP 482). This report identified a high degree of non-compliance, with over 70% of AFS licensees reviewed demonstrating compliance issues with three or more of the seven compliance risks. ASIC Commissioner Cathie Armour said:

This report highlights some serious compliance failures in this industry. We expect industry to take note of our findings and proactively remediate

any areas requiring improvement to ensure they have adequate and enduring compliance measures to fulfil their regulatory obligations.

Note: See [Media Release 16-197MR](#) ASIC releases report highlighting significant failures in the retail OTC derivatives industry (20 June 2016).

- 18 ASIC continues to be concerned that some entities are seeking an AFS licence in order to display the licence on the entity's website, or the foreign related entity's website, and thereby suggest that services provided by the entity in a foreign jurisdiction to foreigners are provided under the AFS licence and are regulated by ASIC.

#### **Change of control or ownership**

- 19 In REP 482, we warned prospective purchasers of entities that hold AFS licences that they will not be absolved of their obligations, including those relating to previous or ongoing breaches, by a change in control or ownership. This means that any prospective new owners and managers of an AFS licensee should ensure they conduct adequate due diligence before acquiring the licence and assuming responsibility for the licensee's obligations.

#### **Misleading licence applications**

- 20 ASIC has been talking in various forums about the importance of adopting a culture of compliance. In paragraphs 36–43 of our last report ([REP 478](#)), we mentioned that, where appropriate, if we see examples of a poor culture of compliance, we will take appropriate action such as referring licensing or registration applicants for administrative and enforcement action.
- 21 We have been concerned about the attitude of some applicants who appear willing to provide false or misleading information in support of a licence or professional registration application. This has the potential to significantly undermine confidence in the licensing and registration assessment process. We will continue to scrutinise the veracity of representations to ensure that such behaviour is appropriately dealt with.
- 22 The Administrative Appeals Tribunal (AAT) decisions in relation to IMS FX Services Pty Ltd and Clemente Holdings Pty Ltd, discussed below, highlight ASIC's concern about a culture of compliance, with a particular focus over the past two and a half years on AFS licence applicants seeking to offer foreign exchange derivatives.
- 23 We consider these AAT decisions reinforce the principle that applicants must provide full and honest disclosure of their intentions, and ensure that their representations and statements are not misleading. Applications must be prepared to a high standard, and demonstrate that the applicant has the ability to deliver the requested financial services in a professional and compliant manner.

*IMS FX Services Pty Ltd*

- 24 ASIC cancelled the AFS licence of IMS FX Services Pty Ltd (IMS FX) because of a concern that the AFS licence application was misleading.
- 25 In March 2015, IMS FX lodged an application for an AFS licence which was granted on 16 September 2015. Subsequently, we learned that the controllers of the licensee had entered into a binding agreement to sell IMS FX on 7 August 2015 that was conditional on the AFS licence being granted with the authorisations sought. The transfer of ownership occurred eight days after the licence was granted.
- 26 Because the AFS licence application did not disclose the planned change of ownership, directorships, intended business activities and resources, we convened a hearing in December 2015 to determine whether the licence should be cancelled.
- 27 Following the hearing, the ASIC delegate found that the AFS licence application lodged with ASIC was misleading in a material way, and cancelled the licence on 22 February 2016. IMS FX appealed to the AAT, and sought confidentiality orders and a stay (deferral) of ASIC's cancellation decision. An interlocutory hearing was held in March 2016 and, on 31 August 2016, the AAT rejected IMS FX's interlocutory application. The AAT's Senior Member G Lazanas said:
- In the circumstances, I am satisfied that there is considerable risk to the public if the Decision is stayed. I consider that there is considerable merit in ASIC's submission that the asserted misleading character of the application made by the Applicant goes to the heart of the risk to the public of allowing the Applicant to continue under its [AFS licence].
- Furthermore, there is, as submitted by ASIC, a further aspect of the public interest which lies in the general deterrent effect of [ASIC] publicising the fact that an [AFS licence] obtained by means of a materially misleading application has been cancelled—which supports the role of ASIC in carrying out its function of protecting the public.
- Note: See [IMS FX Services Pty Ltd and Australian Securities and Investments Commission](#) [2016] AATA 664 (31 August 2016).
- 28 ASIC Deputy Chairman Peter Kell said:
- This matter should be a salient reminder to applicants and those involved in preparing licence applications that should any material circumstances surrounding the application change, the applicant has a responsibility to disclose this to ASIC to ensure that ASIC's decision is made on a fully informed and accurate basis. A failure to do so risks ASIC taking regulatory action, including criminal action or as in this instance, ASIC deciding to cancel the licence.
- 29 We also note that the decision in this case was consistent with the Australian Government's support of Recommendation 29 of the Financial System Inquiry—that ASIC approval should be required for any change in control of a licensee.

*Clemente Holdings Pty Ltd*

- 30 In September 2016, the AAT affirmed an ASIC delegate's decision to refuse an application from Clemente Holdings Pty Ltd (Clemente) for an AFS licence seeking authorisations to provide various financial services, including to make a market in derivatives.
- 31 ASIC's hearing delegate had determined that ASIC had sufficient reason to believe that the applicant would be likely to contravene the obligations that would apply if an AFS licence was granted. This was because of our concerns about:
- (a) the fluid and changing nature of the applicant's proposed business during the assessment and hearing process;
  - (b) the lack of the applicant's technical, human and financial resources to conduct its proposed financial services business; and
  - (c) the lack of care and attention the applicant had applied in providing information to ASIC in its application and in response to our requisitions.
- 32 In their decision, the AAT's Senior Member J F Toohey said:
- In my assessment of the evidence, the applicant has not demonstrated that it has sufficient technical, human and financial resources to conduct the proposed business and mitigate the risks associated with it, and Mr Batten [the sole director, sole shareholder and its sole nominated responsible manager] does not appear seriously to have addressed those risks. There is sufficient reason to believe that the applicant is likely to contravene the obligations that will apply under s912A if the licence is granted, in particular the obligations in s912A(d), (e) and (h). For these reasons, I affirm the decision under review.
- 33 Deputy Chairman Peter Kell said:
- The AAT's decision supports ASIC's expectation that an application for an AFS licence must be prepared to a high standard. In particular, it should clearly explain the financial services the applicant intends to offer, and provide consistent and credible information to support and demonstrate that the applicant has the ability to deliver the requested financial services in a professional and compliant manner. This case further emphasises the point that in deciding whether to grant a licence, ASIC will also have regard to any prior non-compliant conduct by the applicant, its directors and controllers.

### **Statements of personal information in licensing applications**

- 34 In addition to our concern about the general nature of licensing applications being misleading, as highlighted above, we have also recently been concerned about specific aspects of applications where individuals are required to make a declaration to ASIC.

- 35 When applying for an AFS licence, credit licence or professional registration, relevant persons are required to complete a statement confirming whether they have been the subject of regulatory or disciplinary action, bankruptcy or insolvency, or whether they have been involved in the management of failed companies.
- 36 For AFS licence applications, each responsible manager is required to complete a statement of personal interest. We require this statement of personal interest so that we can consider whether the person is of good fame and character (or is a fit and proper person, in the case of other applications), and whether there is reason to believe that the applicant is likely to meet its obligations if a licence or professional registration is granted.
- 37 We have identified a number of recent examples where applicants have failed to give correct responses in their application. These include where:
- (a) a nominated responsible manager for an AFS licence application did not disclose that they had been involved in the management of a ‘company or business’ that had been the subject of an investigation which resulted in disciplinary action being taken;
  - (b) a nominated responsible manager for a credit licence application did not disclose that they had been ‘bankrupt’ or been ‘a director of an entity which was in liquidation’; and
  - (c) another nominated responsible manager for a credit licence application claimed to have work experience at a large Australian bank when the person had never been employed by that bank.
- 38 False information and misrepresentations, including in statements of personal interest, undermine the integrity of the licensing and registration assessment process. In addition to regarding false and misleading information as a basis to refuse a licence or professional registration application, applicants should be aware that, where appropriate, we will consider whether other action is warranted. This could include commencing an investigation which may result in potential criminal proceedings.
- 39 We will also consider what regulatory action we can take against service providers, or other agents, that we find or suspect are complicit in making false or misleading statements to ASIC. We note that s1308 of the *Corporations Act 2001* (Corporations Act) and s225 of the *National Consumer Credit Protection Act 2009* make it a criminal offence to provide ASIC with materially false or misleading information in connection with a licence application.

## Responsible entities and scheme registration

- 40 We have seen a recent trend where responsible entities apply to register a managed investment scheme, or transfer an existing registered managed investment scheme (registered scheme), before the responsible entity is authorised to operate the scheme. In other cases, we have seen the responsible entity enter into contractual arrangements to become the responsible entity of an existing registered scheme but the arrangements are not made conditional on the responsible entity holding the appropriate authorisation.
- 41 A company can only be chosen or appointed as the responsible entity, or temporary responsible entity, of a registered scheme if it meets the requirements in s601FA of the Corporations Act. This includes holding the appropriate AFS licence authorisation to operate the scheme.
- 42 We note that ASIC's statutory obligation is to register a managed investment scheme within 14 days of an application being lodged under s601EB of the Corporations Act. We will only register a scheme if the proposed responsible entity meets the requirements in s601FA.
- 43 Similarly, if a [Form 5107 Notification of change of responsible entity of a registered scheme](#) is lodged before the relevant AFS licence authorisation is granted to the proposed responsible entity, this can be problematic for both the existing responsible entity and the proposed responsible entity. There have been a number of instances where we have not had time to finalise our assessment of the application, or to grant a licence, to enable the proposed responsible entity to take over the registered scheme. This may mean that members of the registered scheme have to retain the arrangement with the existing responsible entity.
- 44 All responsible entities are reminded that, before lodging an application to register a managed investment scheme or lodging a Form 5107, they should ensure that their AFS licence application has been lodged with sufficient time for ASIC to complete our assessment. We are unable to prioritise a licence application merely because there is a pending scheme registration application or a Form 5107 has been lodged. Appropriately managing the licence application process will help to limit any unnecessary delays, costs and reputational damage.

## Managed discretionary accounts

- 45 On 29 September 2016, ASIC's Class Order [CO 04/194] *Managed discretionary accounts*, which was due to expire (or 'sunset'), was remade as [ASIC Corporations \(Managed Discretionary Account Services\) Instrument 2016/968](#). At the same time, we revised [Regulatory Guide 179 Managed discretionary accounts](#) (RG 179). The new instrument and RG 179:

- (a) incorporate the relief for managed discretionary accounts (MDAs) operated on a regulated platform and MDAs provided to family members, with some changes to the relief that was previously provided under ASIC's no-action positions;
- (b) implement new requirements to ensure that MDA investors are adequately informed when the MDA provider has a discretion to invest in products where recourse is not limited (e.g. contracts for difference);
- (c) require specific upfront disclosure about:
  - (i) terminating the MDA contract;
  - (ii) fees charged within the MDA; and
  - (iii) outsourcing arrangements, where the MDA provider outsources significant functions of the MDA; and
- (d) provide greater certainty about the scope and application of the MDA relief, and about ASIC's expectations for managing conflicts of interest.

Note: An MDA provider is a person who enters into a contract with a client to provide an MDA.

46 MDA providers currently offering MDAs under ASIC's regulated platform no-action letter must comply with the new regulatory requirements by 1 October 2018, including the new requirement to obtain the relevant MDA specific AFS licence authorisation, as set out at RG 179.25 and noted at paragraph 47(a) below. Other existing MDA providers must comply with the revised requirements from 1 October 2017.

47 As stated in RG 179.25, where an MDA provider is providing both a retail and wholesale service, the provider must hold an AFS licence with authorisations to:

- (a) deal by issuing a financial product in respect of:
  - (i) interests in managed investment schemes limited to MDA services; or
  - (ii) miscellaneous financial investment products limited to MDA services;

Note: MDA providers must have this authorisation to benefit from the relief in ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968.

- (b) deal in all the financial products that are acquired with client portfolio assets under the MDA contract;
- (c) provide personal advice to clients in relation to the MDA—except where an external MDA adviser enters into a direct contract with each MDA client to provide financial product advice about the investment program; and

- (d) provide custodial or depository services in relation to the client portfolio assets—except where an external MDA custodian enters into a direct contract with each MDA client to provide the custodial or depository services.

48 Any applicant seeking an authorisation to provide an MDA service to wholesale clients should confirm their position on whether the MDA service would constitute a managed investment scheme.

## Facilitating innovation

### ASIC's Innovation Hub

49 We remain committed to encouraging innovation that has the potential to benefit consumers. We are equally committed to ensuring that the regulation of new products and services is appropriate, effective and promotes investor and financial consumer trust and confidence.

50 ASIC introduced the Innovation Hub in April 2015 to assist financial technology (fintech) start-up businesses developing innovative financial products and services to navigate our regulatory system. ASIC's Innovation Hub has met with over 127 external stakeholders. the end of the relevant period, we had provided informal assistance to 83 entities and granted 16 AFS and credit licences: see [ASIC's Innovation Hub](#) on our website [www.asic.gov.au](http://www.asic.gov.au).

### International regulatory cooperation

51 In March 2016, under a new 'world first' agreement, financial regulators in Australia and the United Kingdom will increase the support they provide to innovative fintech companies as they attempt to enter each other's market.

52 The United Kingdom's Financial Conduct Authority and ASIC have signed an agreement to refer to one another innovative businesses that seek to enter each other's market. The regulators will provide support to these innovative businesses before, during and after their authorisation to help reduce regulatory uncertainty and time to market: see [Media Release 16-088MR](#) *British and Australian financial regulators sign agreement to support innovative businesses* (23 March 2016).

53 Further, in mid-June 2016, the Monetary Authority of Singapore and ASIC signed an Innovation Functions Cooperation Agreement, which aims to help innovative businesses in Singapore and Australia in their foray into the respective markets.

54 The agreement will enable innovative fintech companies in both countries to more quickly establish initial discussions in each other's market and to receive advice on the licences required: see [Media Release 16-194MR](#)

*Singaporean and Australian regulators sign agreement to support innovative businesses* (16 June 2016).

- 55 Both of the above agreements aim to help reduce regulatory uncertainty and improve speed to market for innovative fintech businesses.

### **Licensing exemption**

- 56 On 8 June 2016, ASIC released [Consultation Paper 260](#) *Further measures to facilitate innovation in financial services* (CP 260). The proposals included a ‘regulatory sandbox’ licensing exemption. ASIC Commissioner John Price said: ‘ASIC is committed to facilitating innovation in financial services, especially where it has the potential to improve consumer outcomes’: see [Media Release 16-185MR](#) *ASIC consults on a regulatory sandbox licensing exemption* (8 June 2016).

- 57 Public consultation on CP 260 closed on 22 July 2016. We are currently reviewing the 29 submissions received, with a view to adopting a range of options relating to the three main proposals—that is:

- (a) further guidance, including examples, about what ASIC may or may not consider to be relevant when assessing the experience of responsible managers seeking to rely on Option 5 of [Regulatory Guide 105](#) *Licensing: Organisational competence* (RG 105);
- (b) revising RG 105 to better reflect the role of responsible managers in heavily automated businesses; and
- (c) the creation of a licensing exemption to reflect our policy position.

### **Marketplace lending**

- 58 Marketplace lending (or peer-to-peer lending) matches people who have money to invest with people who are looking for a loan. These arrangements commonly involve the use of an online platform, such as a website. For additional background information, see paragraphs 22–27 of REP 448.

- 59 We have assessed applications from nine marketplace lenders, and have granted seven AFS licences and three credit licences. We are currently assessing three other applications related to marketplace lending.

- 60 In March 2016, we released [Information Sheet 213](#) *Marketplace lending (peer-to-peer lending) products* (INFO 213), which gives guidance to assist providers of marketplace lending products and others providing financial services in connection with these products.

- 61 INFO 213 explains what marketplace lending is, and also covers:

- (a) the key risks involved in providing marketplace lending products;
- (b) the key obligations that may apply to marketplace lending business models and applications for relief;

- (c) advertising of marketplace lending products; and
- (d) examples of good practice.

62 We are also preparing to undertake the first of our periodic surveys seeking voluntary information from licensed marketplace lenders. While the responses will remain confidential, the purpose of the survey is to assist ASIC in gaining a better understanding of the marketplace lending sector, given its recent introduction into the Australian financial services landscape. The survey will help inform ASIC about relevant issues and enable us to better prepare and respond to these as appropriate. This may include the provision of additional guidance or the early consideration of issues that may require relief.

### Digital advice

63 On 21 March 2016, ASIC released [Consultation Paper 254](#) *Regulating digital financial advice* (CP 254) and draft regulatory guide.

64 In CP 254, we sought feedback on issues that are unique to digital advice businesses—in particular, the organisational competence obligation that an AFS licensee would be required to meet in order to provide digital advice, and the ways in which licensees offering digital advice should monitor and test their algorithms.

Note: Digital advice (also known as ‘robo-advice’ or ‘automated advice’) is the provision of automated financial product advice using algorithms and technology and without the direct involvement of a human adviser.

65 Following our consultation, on 30 August 2016, we released [Regulatory Guide 255](#) *Providing digital financial product advice to retail clients* (RG 255). This regulatory guide brings together some of the issues that persons providing digital advice to retail clients need to consider when operating in Australia—from the licensing stage (i.e. obtaining an AFS licence) through to the actual provision of advice.

### Limited AFS licensing

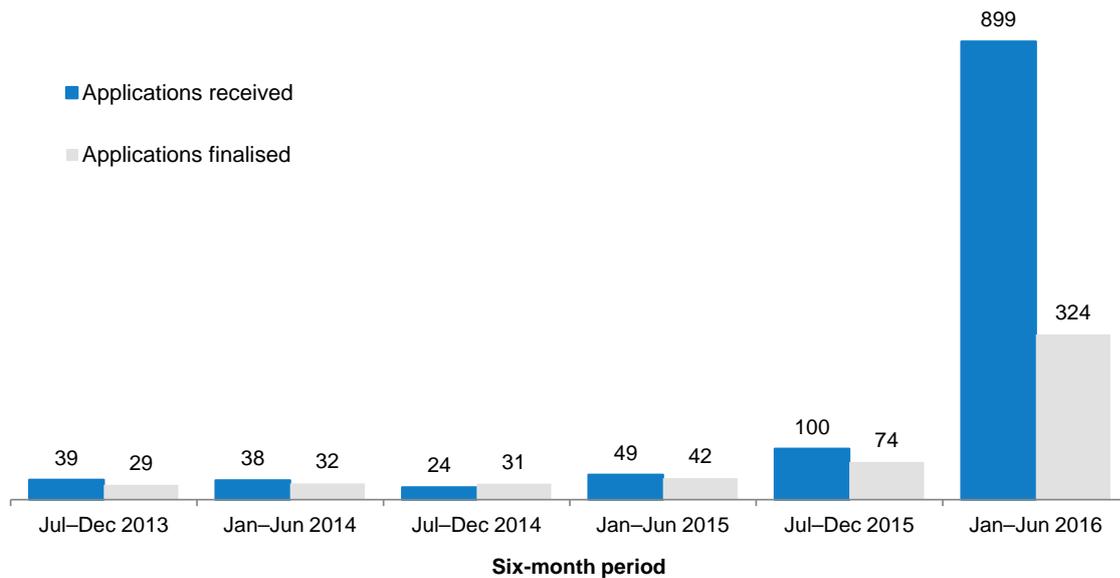
66 The existing exemption under the Corporations Regulations 2001 permits ‘recognised accountants’ to provide a recommendation, in relation to an SMSF, to acquire or dispose of a superannuation product without holding an AFS licence: regs 7.1.29(5)(c)(ii) and 7.1.29A.

67 As part of the Future of Financial Advice (FOFA) reforms, the exemption ceased to apply from 1 July 2016. To continue providing such services (with certain limited exemptions), financial advisers are required to either hold a ‘limited AFS licence’ or become an authorised representative of someone who holds the appropriate AFS licence authorisations.

68 By the end of the relevant period, we had received 899 applications for an AFS licence or a limited AFS licence, with 203 applications being approved, 39 applications withdrawn, 82 applications refused and 617 applications pending.

69 As Figure 1 indicates, most applicants left it until the final six months of the three-year transition period to apply for a licence, with 38% (446) applying in the last month.

**Figure 1: Number of received/finalised limited AFS licence applications from 1 July 2013 to 30 June 2016**



Note: See Table 6 in the appendix for the complete data used in this figure (accessible version).

### Constraints on ASIC's assessment of limited AFS licence applications

70 ASIC's funding for implementing the limited AFS licensing regime ended on 30 June 2016. We now have a significant number of outstanding limited AFS licence applications to assess as part of our standard operational budget. Consequently, our workload in dealing with these applications has increased substantially, meaning that there will be a significant delay before they can all be assessed.

71 Given the volume of limited AFS licence applications still on hand, and the fact that many applications do not generally include all the information we require, we expect that we will need to request further information or clarification to complete our assessment.

72 Because the transitional period funding has now elapsed, we will assess these limited AFS licence applications out of our existing ongoing resources. To manage this process, we have reassigned a small number of staff who will dedicate their time to these applications. Other staff

members are integrating some of the additional applications into their broader licensing workload.

73 Our aim is to complete this work for all applications lodged before 30 June 2016 by the end of March 2017. However, for the reasons outlined above, it is hard to predict when we will complete all our assessments.

74 We have been clear in our communications about the need for accountants not to leave their licence applications until the end of the three-year transition period, and we were supported in this communication by the professional accounting bodies. This current backlog is also affecting the level of service we can provide in the near term to other licence and professional registration applicants.

### **ASIC's communication with limited AFS licence applicants**

75 We will provide regular updates to the remaining limited AFS licence applicants about our progress. Most recently, we communicated with each applicant by email on 27 September 2016. We will continue to update all outstanding applicants every three months on our progress.

76 We are working with the joint accounting bodies to address deficiencies (where they exist) in the applications from their members, to assist in speeding up the processing of the applications.

77 In each application for a limited AFS licence, we request and obtain consent from the applicant for ASIC to communicate with the applicant's relevant accounting body (when necessary) about their application. This allows us to continue discussion with the joint accounting bodies following the transition period, and in the future, if we have issues with the licence applications still on hand.

### **Concerns about unlicensed conduct**

78 Any accountant who does not hold an AFS licence, limited AFS licence, or an appropriate authorisation from an AFS licensee or limited AFS licensee, must not provide advice in relation to the acquisition or disposal of an interest in an SMSF, or provide any other financial service.

79 Providing unlicensed financial services is a criminal offence. If we become aware of accountants providing unlicensed advice, we may take regulatory action.

## Licensing policy and procedures

### AFS licensing kit (Regulatory Guides 1, 2 and 3)

- 80 We are continuing our work to revise [Regulatory Guides 1–3 AFS Licensing Kit](#) (RG 1–RG 3), with the aim of making the assessment of AFS licence applications more efficient, and reducing the time it takes between lodgement and finalisation of the application. The scope of this work includes:
- (a) ensuring that all the required relevant information (including relevant non-core proofs) is submitted with the application (rather than being left to requisition);
  - (b) revising the risk assessment process—that is, focusing on the assessment of applications in the areas that we consider have an increased risk that the applicant will not comply with its obligations if a licence is granted. This means we expect applications that do not raise issues in those risk areas will be completed more quickly and within the time period in our service charter;
  - (c) requiring applicants to make submissions in support of their application that enable the Licensing team to form the view that ASIC has no reason to believe the applicant is likely to contravene the obligations that will apply if an AFS licence is granted; and
  - (d) deciding on the most appropriate process for implementing these efficiencies, including both before and as part of the development of a new technology portal as part of ASIC’s overall information technology renewal.

### Policy proposals

- 81 As mentioned in previous reports, we are progressing with our review of regulatory guides relating to AFS licensing to ensure that we are providing adequate guidance on the information and documentation we require when assessing licence applications.
- 82 As part of this review, we are also considering whether any of the assumptions or principles we apply to our assessment need to be updated or enhanced (e.g. representations about the business activities and authorisations being sought; the need for a key person requirement; the role of a responsible manager and a responsible officer, including in relation to competence and capacity, and good fame and character; and the adequacy of arrangements for outsourced functions).

### ASIC's service charter: Our assessment objectives

- 83 Before 1 July 2015, we calculated our completion time for assessing licence applications without including the time taken for applicants to respond to requests for information. From 1 July 2015, we have been calculating our completion time for licence applications on an elapsed time basis. This is consistent with how ASIC measures other activities.
- 84 Under our service charter, we aim to decide whether to grant or vary a licence within 60 days (target: 70%), or within 120 days (target: 90%).
- 85 For AFS licences in 2015–16:
- (a) 52% of new licences were granted within 60 days;
  - (b) 62% of licence variations were decided within 60 days;
  - (c) 82% of new licences were granted within 120 days; and
  - (d) 79% of licence variations were decided in 120 days.
- 86 For credit licences in 2015–16:
- (a) 80% of new licences were granted within 60 days;
  - (b) 90% of licence variations were decided in 60 days;
  - (c) 89% of new licences were granted within 120 days; and
  - (d) 93% of licence variations were decided in 120 days.
- 87 Traditionally, licence applications beyond the 60-day target have generally been complex, requiring considerable additional work. A greater regulatory focus on problematic applications has also affected this target.
- 88 Performance against the licensing measure in general has been affected by ASIC's resourcing, and the increase in AFS licence applications as a result of the expiry (in June 2016) of the transition period for accountants to apply for a limited licence. These licence applications will continue to affect these measures in 2016–17.
- 89 We are reviewing our service charter in terms of sustainable target levels with current resources.

## Summary of outcomes for the relevant period

### Licensed financial markets, CS facilities and trade repositories

- 90 There was no change to the number of market, CS facility or ADTR licensees during the relevant period. Accordingly, there are currently still 18 market licensees (12 domestic operators and six overseas operators), seven CS facility licensees (five domestic operators and two overseas operators) and two ADTR licensees.

## AFS and credit licensing and professional registration

- 91 In the relevant period, we received 1,987 AFS and credit licensing and professional registration applications across the various application and registration types. This represented a 36% increase in volume: 90% of these related to applications for either an AFS licence (i.e. new licences (1,146) and variations to existing AFS licences (307)) or a credit licence (i.e. new licences (212) and variations to existing credit licences (121)).
- 92 Table 1 shows the number of applications under consideration (i.e. those available for assessment) and the number that were approved during the relevant period. These are broken down by the period in which they were lodged (i.e. either before or during the relevant period).

**Table 1: Licensing and professional registration applications available for assessment—  
1 January to 30 June 2016**

Type of application	Received or initiated before Jan	Approved Jan–Jun*	Received or initiated Jan–Jun	Approved Jan–Jun**	Finalised (not approved) Jan–Jun <sup>#</sup>	Not finalised at 30 Jun
New AFS licence	208	141	1146	205	218	790
Variation of AFS licence	241	140	307	106	89	213
New credit licence	132	79	212	56	54	155
Variation of credit licence	43	22	121	68	17	57
Registration as liquidator	10	8	13	10	1	4
Registration as official liquidator	6	5	16	14	0	3
Registration as company auditor	116	109	76	55	17	11
Registration as approved SMSF auditor	107	77	96	48	69	9
<b>Total applications</b>	<b>872</b>	<b>581</b>	<b>1,987</b>	<b>562</b>	<b>465</b>	<b>1,242</b>

\* This column includes applications that were considered *before* the relevant period but were approved *during* the relevant period.

\*\* This column includes applications that were both considered and approved during the relevant period.

<sup>#</sup> This column includes applications that were rejected, withdrawn or refused during the relevant period. For more details, see Table 4 and Table 5.

- 93 The combined number of AFS and credit licensing and professional registration applications available for assessment during the relevant period totalled 2,850, of which 1,143 (41%) were approved. The remaining applications were rejected, withdrawn or refused, or are still being assessed: see Table 2.

**Table 2: Percentage approval of licensing and professional registration applications under consideration—1 January to 30 June 2016**

Application type	Under consideration*	Approved
AFS licence (new licence and variations)	1902	592 (31%)
Credit licence (new licence and variations)	508	225 (44%)
Registration	440	326 (74%)
<b>Total applications</b>	<b>2,850</b>	<b>1,143 (41%)</b>

\* The total number of applications under consideration in the relevant period includes all applications, whether they were received before or during the relevant period.

- 94 To ensure that entities are only licensed if they are able to offer financial or credit services in compliance with their licensing obligations, we may:
- (a) impose additional licence conditions;
  - (b) impose a requirement for additional or alternative responsible managers; and/or
  - (c) modify the standard licence authorisations to limit:
    - (i) the financial products that a licensee may offer; or
    - (ii) the financial services or credit activities that a licensee may undertake.
- 95 Of the 817 AFS licence and credit licence applications that were approved (including both new licences and licence variations), 638 (78%) were approved in a form different in scope to the licence authorisations sought by the applicant or the standard conditions. For AFS licence applications, approximately 82% were approved with changes to the form of the licence, while for credit licence applications this proportion was approximately 68%.

### **New AFS licences and licence variations**

- 96 There were 1,902 applications under consideration during the relevant period. Of these, 592 were approved, 182 were rejected for lodgement, 124 were withdrawn, four were refused and the remaining 1,003 were undergoing assessment at the end of the relevant period. Of the 592 approved applications, 486 (82%) were approved with alterations to the original application: see Section B for details.

### **New credit licences and licence variations**

- 97 There were 508 applications under consideration during the relevant period. Of these, 225 were approved, five were rejected for lodgement, 66 were withdrawn and the remaining 212 were undergoing assessment at

the end of the relevant period. Of the 225 approved applications, 152 (68%) were approved with alterations to the original application: see Section C for details.

### **Registration of liquidators and auditors**

- 98        During the relevant period, we registered:
- (a) 18 liquidators;
  - (b) 19 official liquidators;
  - (c) 164 company auditors (an additional 16 applications for registration were withdrawn and one application was refused); and
  - (d) 125 approved SMSF auditors (an additional 69 applications were withdrawn).
- 99        We cancelled the registration of 124 SMSF auditors.
- 100       For more details, see Section D.

## A Background

### Key points

This section sets out a brief overview of the AFS licensing, credit licensing and registered professional population since inception.

Applications for a new licence, licence variation or professional registration are thoroughly assessed and the outcome will depend on this assessment. As such, an application may be approved, approved with changes, rejected, withdrawn or refused.

### Regulated population: Licensing and registration

101 We have provided key statistics (as at 1 July 2016) on the selected areas shown in Table 3.

**Table 3: ASIC's AFS and credit licensing and registration responsibilities**

Activity	Date started with ASIC
Liquidator and company auditor registration*	<i>Corporations Act 1989</i> —Assented on 14 July 1989
AFS licensing	11 March 2002 (transition period ended 10 March 2004)
Credit licensing	1 July 2010
Approved SMSF auditor registration	1 January 2013

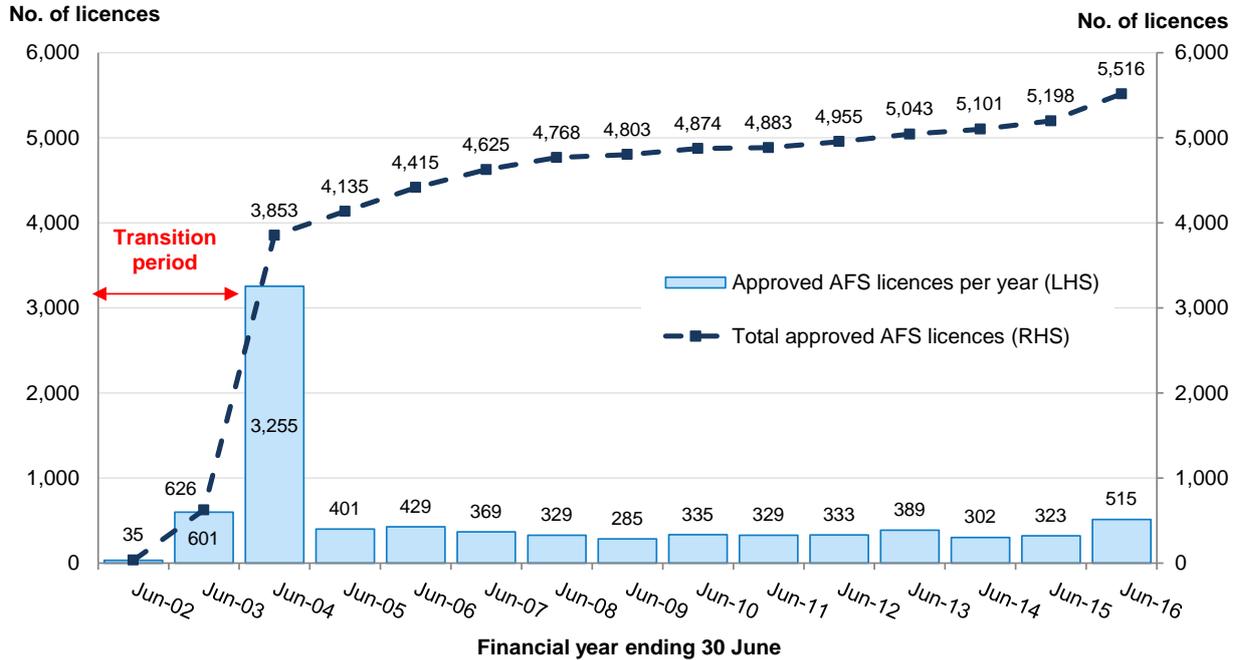
\* ASIC's predecessor (the Australian Securities Commission) assumed responsibility for this under the *Corporations Act 1989*.

102 The graphs below show the regulated population for AFS licensees, credit licensees, liquidators and auditors.

#### AFS licensees

103 The number of AFS licensees continued to grow steadily during the relevant period, at an average annual rate of approximately 2.7%, from the end of the AFS licensing transition period in March 2004 (a total of 3,795 applications were lodged in 2003–04) to 30 June 2016: see Figure 2.

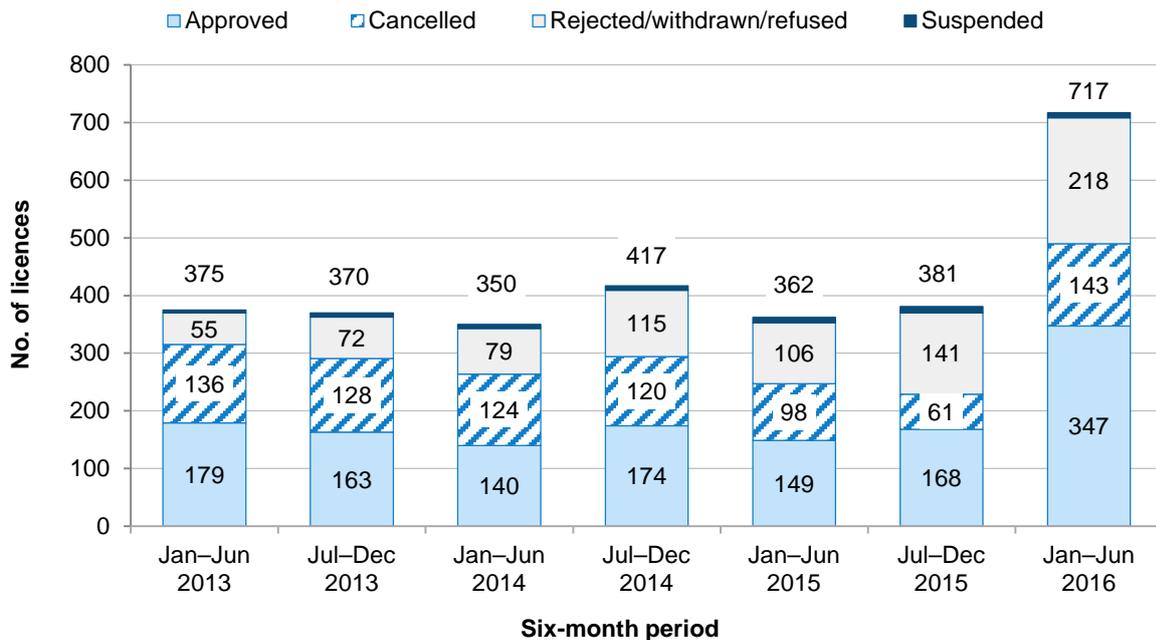
**Figure 2: Number of AFS licences approved per financial year and total number of approved AFS licences**



Note: See Table 7 in the appendix for the complete data used in this figure (accessible version).

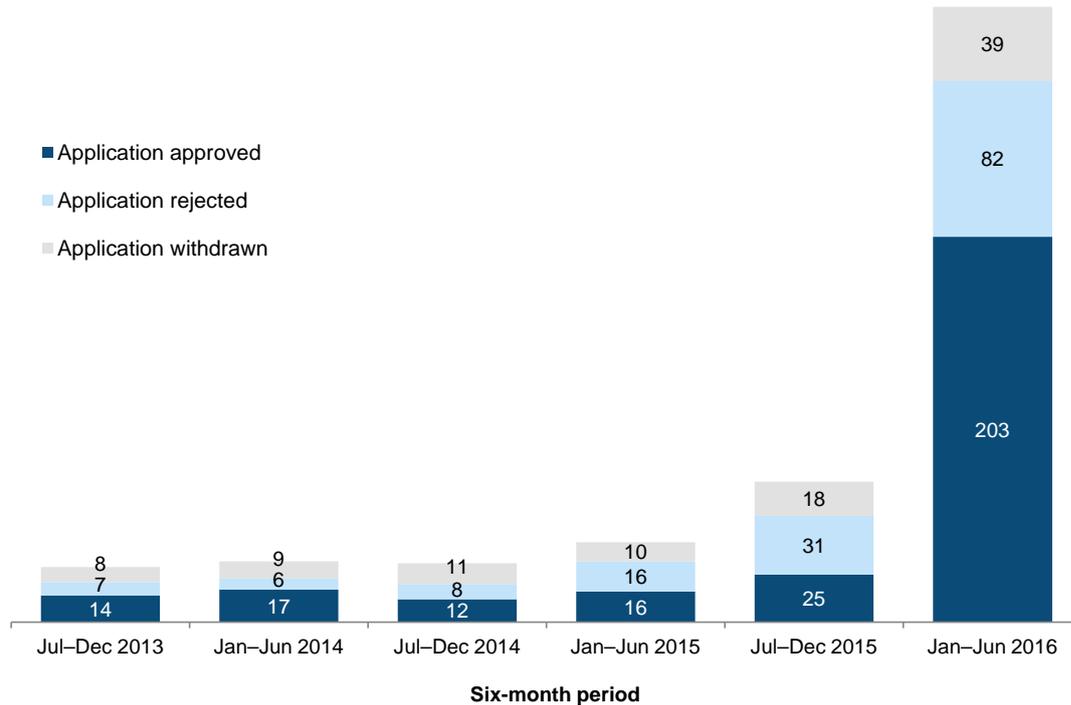
104 AFS licence approvals have remained fairly stable since around 2007. The recent increase in the relevant period is mainly the result of applications for limited AFS licences, as the transitional period ended on 30 June 2016: see Figure 4 and paragraphs 66–69. Conversely, cancellations are on a downward trend: see Figure 3.

**Figure 3: Number of AFS licence applications by status per half year from January 2013 to June 2016**



Note: See Table 8 in the appendix for the complete data used in this figure (accessible version).

**Figure 4: Number of finalised limited AFS licence applications by status from 1 July 2013 to 30 June 2016**

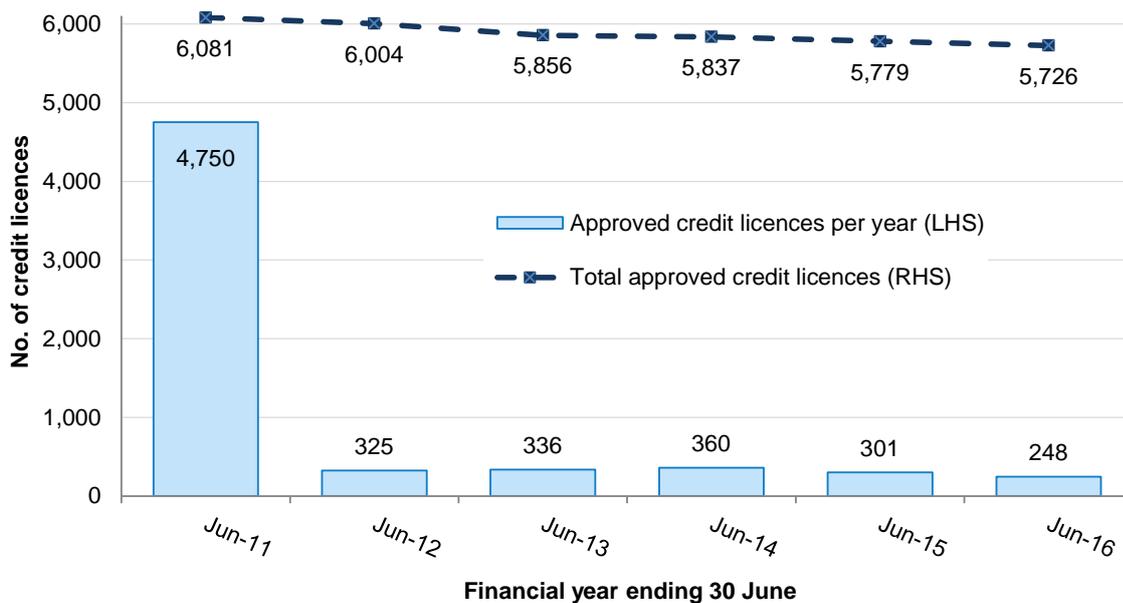


Note: See Table 9 in the appendix for the complete data used in this figure (accessible version).

### Credit licensees

105 The number of credit licensees continued to fall gradually in the relevant period (at an average annual rate of 1.1%), suggesting that consolidation in the industry is still occurring: see Figure 5.

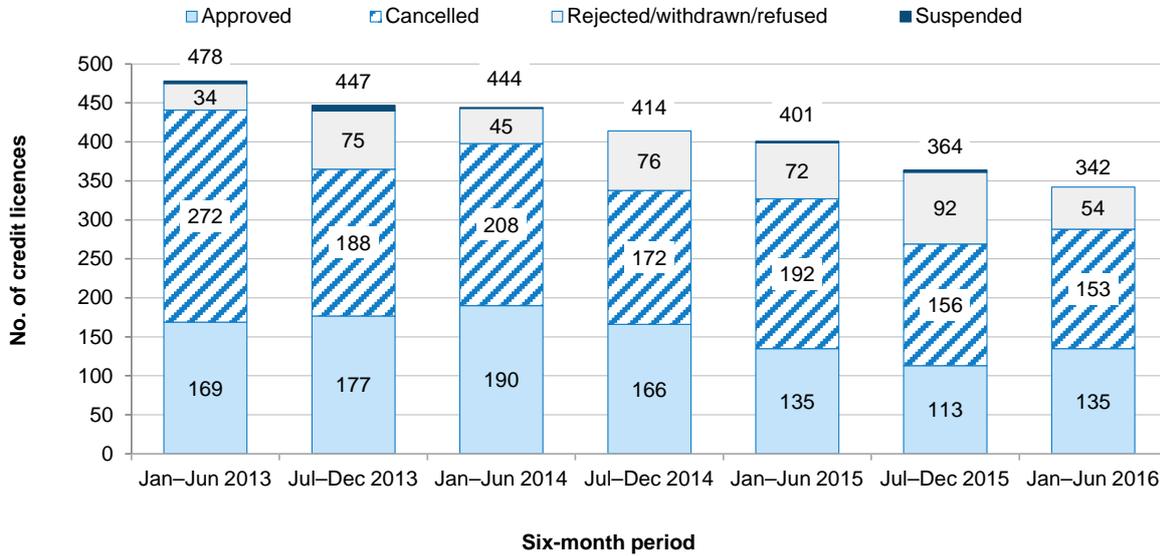
**Figure 5: Number of credit licences approved per financial year and total number of approved credit licences to 30 June 2016**



Note: See Table 10 in the appendix for the complete data used in this figure (accessible version).

106 Figure 6 shows the general trend of the status of credit licence applications for each half year over the past three years.

**Figure 6: Number of credit licence applications by status per half year from January 2013 to June 2016**

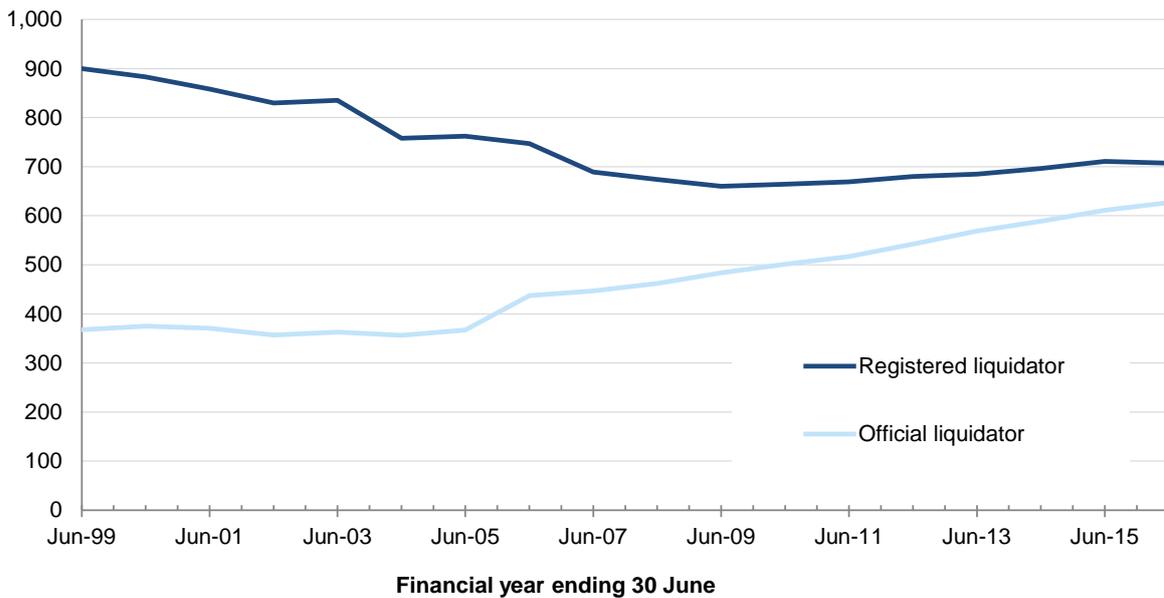


Note: See Table 11 in the appendix for the complete data used in this figure (accessible version).

### Liquidators

107 The number of registered liquidators fell between 1999 and 2009, but seems to have been slowly picking up again since then. After a period of reasonable stability, the number of official liquidators started to increase following a change in legislation in 2005, and has since been growing at a faster rate than the number of registered liquidators: see Figure 7.

**Figure 7: Number of registered and official liquidators to 30 June 2016**

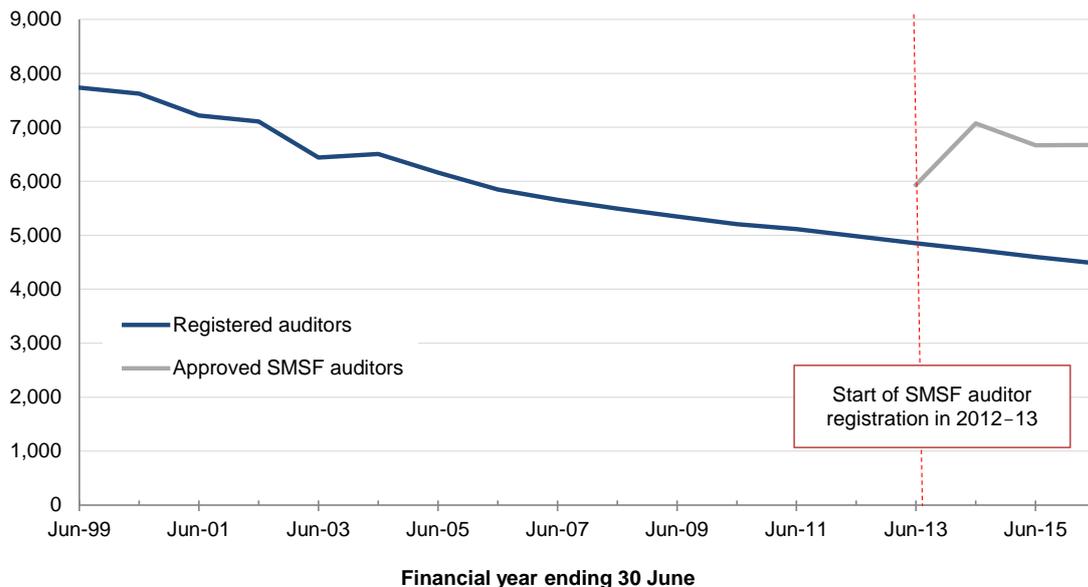


Note: See Table 12 in the appendix for the complete data used in this figure (accessible version).

## Auditors

108 The number of registered company auditors continued its decline in the relevant period, reflecting (among other things) a large number of cancellations at the auditor's request. The number of approved SMSF auditors stabilised in the period after an initial (growth) spike in mid-2014: see Figure 8.

**Figure 8: Number of registered company auditors and approved SMSF auditors to 30 June 2016**



Note 1: See Table 13 in the appendix for the complete data used in this figure (accessible version).

Note 2: From 1 July 2013, SMSF auditors must be registered with ASIC.

## How AFS and credit licensing and professional registration applications are determined

109 The Licensing team fulfils an important gatekeeping role for ASIC. The assessment of applications is not an automatic process; each application is subject to a detailed and rigorous assessment. We aim to keep applicants informed about the progress of their applications during our assessment. We often consult other ASIC stakeholder and enforcement teams, or we may seek information externally (e.g. from other local or international regulators).

110 A detailed explanation about how AFS and credit licensing and professional registration applications are determined—including rejection, approval, withdrawal and refusal—is set out in our first report: see paragraphs 53–64 of REP 433.

## B AFS licences

### Key points

During the relevant period, we considered 1,902 AFS licence applications (comprising 1,453 received during the relevant period and 449 received before the relevant period), and finalised 47% (902) of these.

Of the 902 AFS licence applications finalised, we granted 346 new licences and 246 licence variations. Of the 592 AFS licence applications we approved (including variations), we imposed:

- a key person condition on 426 licences;
- an additional responsible manager requirement on 29 licences (three new licences and 26 variations); and
- modified authorisations on 133 licences.

We declined to accept seven responsible managers nominated by the AFS licensee (two licence variations), as we were concerned they did not have the knowledge and skills to meet the organisational competence obligations.

A total of 122 AFS licence applications were withdrawn before we made a formal determination.

Two AFS licence variations were withdrawn after a hearing was conducted.

We refused four AFS licence applications. We believe the number of applications refused would have been much higher if applicants had not withdrawn their applications in response to our feedback rather than proceeding to a formal determination.

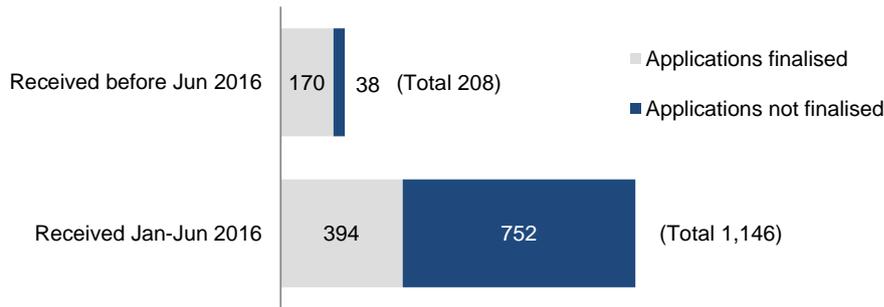
Nine AFS licences were suspended and 143 AFS licences were cancelled.

### Applications and regulatory outcomes

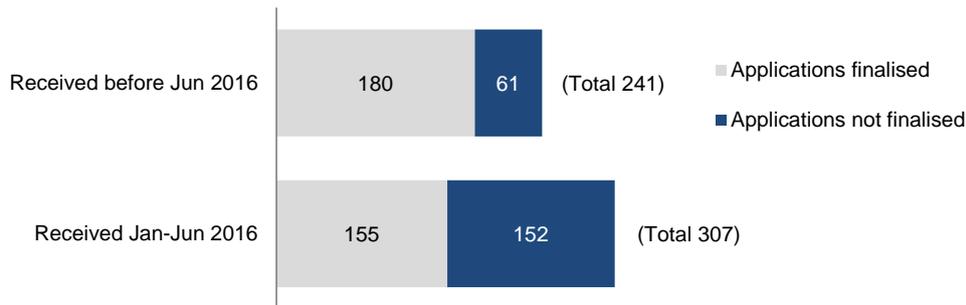
- 111 An application for an AFS licence may be rejected for lodgement, approved, withdrawn or refused. An application that is approved may also have additional regulatory outcomes. For further background information, see paragraphs 66–68 of REP 433.

### Applications finalised

- 112 Figure 9 and Figure 10 summarise the number of new AFS licence and AFS licence variation applications that we finalised during the relevant period in comparison with those lodged.

**Figure 9: Number of lodged and finalised new AFS licence applications—1 January to 30 June 2016**


Note: See Table 14 in the appendix for the complete data used in this figure (accessible version).

**Figure 10: Number of lodged and finalised AFS licence variation applications—1 January to 30 June 2016**


Note: See Table 15 in the appendix for the complete data used in this figure (accessible version).

113

Table 4 provides a breakdown of how the AFS applications we finalised during the relevant period were decided.

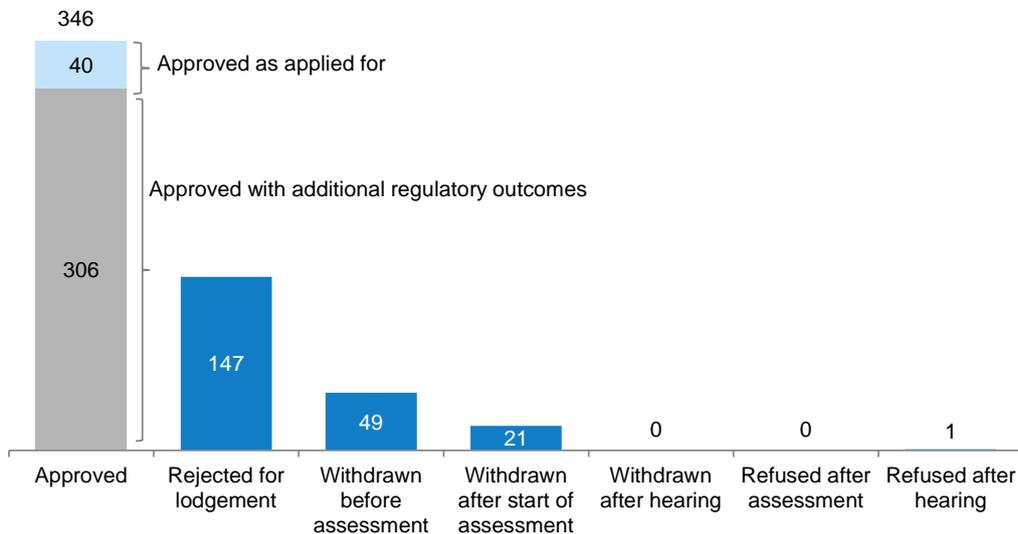
**Table 4: How finalised AFS licence applications were decided—1 January to 30 June 2016**

Status of applications finalised Jan–Jun 2016	New licence applications received before Jan 2016	New licence applications received Jan-Jun 2016	Licence variation applications received before Jan 2016	Licence variation applications received Jan-Jun 2016
Approved (with and without additional regulatory outcomes)	141	205	140	106
Rejected for lodgement (pre-lodgement)	12	135	12	23
Withdrawn before start of assessment (pre-lodgement)	4	45	4	17
Withdrawn after start of assessment (post-lodgement)	12	9	24	7
Withdrawn after hearing	0	0	1	1
Refused after assessment	0	0	1	2
Refused after hearing*	1	0	0	0
<b>Total applications finalised</b>	<b>170</b>	<b>394</b>	<b>182</b>	<b>156</b>

\* Only variation applications that are partially refused have recourse to a hearing by an ASIC delegate.

114 During the relevant period, we approved 106 (18%) applications in the manner that they were sought from a total 592 AFS licence applications (i.e. without requiring any additional regulatory outcomes).

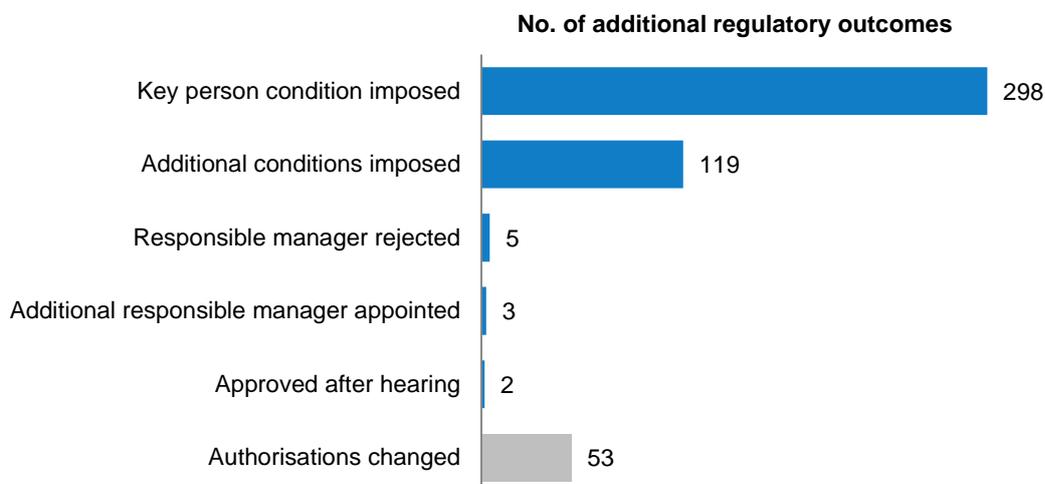
**Figure 11: Number of finalised new AFS licence applications by status—1 January to 30 June 2016**



Note: See Table 16 in the appendix for the complete data used in this figure (accessible version).

115 Figure 12 shows the new AFS licence applications we approved with additional regulatory outcomes during the relevant period, broken down by the type of regulatory outcome achieved. This reflects how we have influenced the terms of the AFS licences approved over the relevant period. Figure 12 also shows the changes we made to licence authorisations on 53 occasions by modifying, tailoring, reducing or refusing the authorisations sought.

**Figure 12: Number and type of additional regulatory outcomes in approved new AFS licence applications—1 January to 30 June 2016**

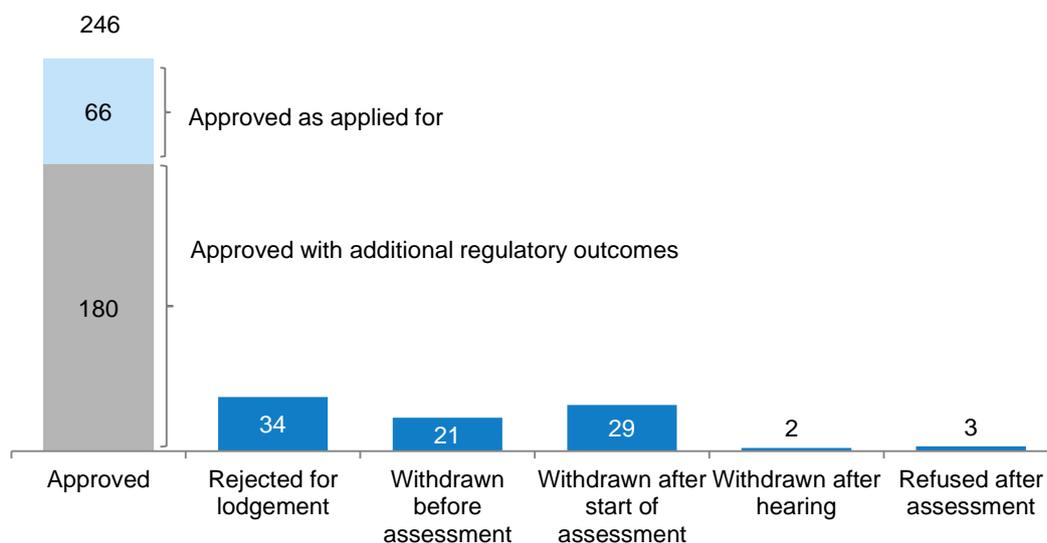


Note 1: See Table 17 in the appendix for the complete data used in this figure (accessible version).

Note 2: There may be more than one additional regulatory outcome for each approved licence application. For example, we could impose a key person condition after requiring an additional responsible manager to be appointed.

116 Figure 13 shows the AFS licence variation applications we finalised in the relevant period. This graph also shows the number of approved AFS licence variation applications where we approved the variation the applicant applied for in their initial application without imposing additional regulatory outcomes.

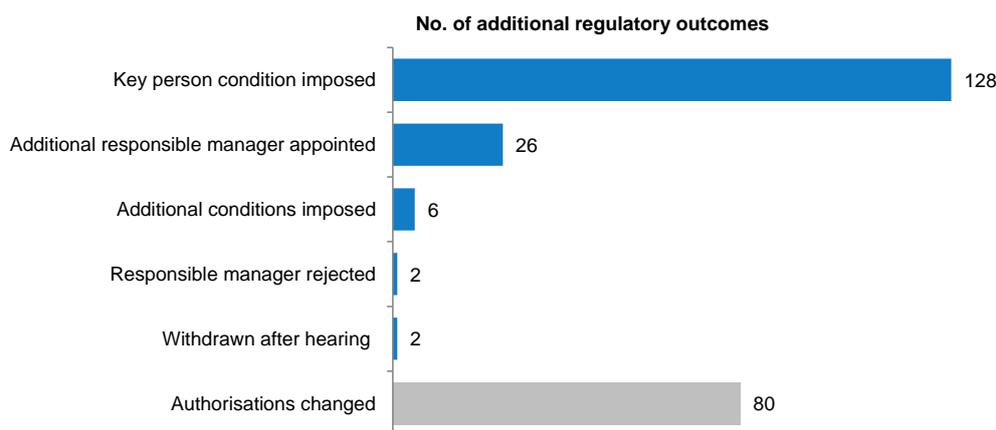
**Figure 13: Number of finalised AFS licence variation applications by status—1 January to 30 June 2016**



Note: See Table 18 in the appendix for the complete data used in this figure (accessible version).

117 Figure 14 shows the AFS licence variation applications we approved with additional regulatory outcomes, broken down by type of regulatory outcome.

**Figure 14: Number and type of additional regulatory outcomes in approved AFS licence variation applications—1 January to 30 June 2016**



Note 1: See Table 19 in the appendix for the complete data used in this figure (accessible version).

Note 2: There may be more than one additional regulatory outcome for each approved licence variation application. For example, we may reject a responsible manager and impose additional conditions.

Note 3: 'Responsible manager rejected' indicates ASIC's decision not to accept the nominated responsible manager as having the necessary knowledge and/or skills to satisfy us that the applicant meets the necessary organisational competence as set out in RG 105.

## Applications approved with additional regulatory outcomes

- 118 An application for a new AFS licence or variation of an AFS licence may have more than one regulatory outcome (e.g. authorisations, special conditions, key person conditions and responsible managers). The application is reported as approved even if only some aspects are approved.

### Licence authorisations

- 119 During the relevant period, we modified the authorisations sought in 133 cases (with 53 of these relating to new AFS licences and 80 relating to AFS licence variations). Of these:
- (a) we approved 98 licences with authorisations that were different to those sought by the applicant or refused to grant the authorisation sought; and
  - (b) we approved 35 authorisations that were specific to that applicant (we refer to this as a ‘tailored’ authorisation).

### Tailored authorisations

### Additional conditions imposed on AFS licences

- 120 Under s914A of the Corporations Act, we may impose or add conditions on an AFS licence and vary or revoke the conditions already imposed.

### Key person condition

- 121 During the relevant period, we imposed a key person condition on:
- (a) 298 of the approved new AFS licences (86% of approved applications); and
  - (b) 128 of the approved AFS licence variations (52% of approved applications).

### Other conditions

- 122 During the relevant period, we imposed additional conditions on:
- (a) 118 of the approved new AFS licences; and
  - (b) six of the approved AFS licence variations.

### Responsible managers

- 123 An applicant must demonstrate competence in relation to each financial service and product authorisation they have sought. Where competence has only been shown for some financial services and products, we may offer a

- licence that contains fewer financial service and product authorisations than were sought.
- 124 We will require the appointment of an additional responsible manager when our assessment of an application concludes that the nominated responsible managers are not able to demonstrate to our satisfaction that they have sufficient competence or capacity, given their other roles and engagements, for the authorisation(s) sought.
- 125 During the relevant period, we requested the appointment of an additional responsible manager for:
- (a) three approved new AFS licences; and
  - (b) 26 approved AFS licence variations.
- 126 We have also not accepted responsible managers nominated by applicants for the purposes of satisfying us about the applicant's organisational competence in three applications (all of which were applications to vary an existing AFS licence).

## Applications rejected or withdrawn

- 127 We rejected for lodgement 182 applications during the relevant period (147 in relation to new applications and 34 variation applications).
- 128 During the relevant period, 124 AFS licence applications were withdrawn, comprising:
- (a) 70 new AFS licence applications (49 of these related to applications accepted for lodgement but withdrawn before assessment, and 21 were withdrawn after assessment); and
  - (b) 52 AFS licence variation applications (21 of these related to applications accepted for lodgement but withdrawn before assessment, 29 were withdrawn after assessment and two were withdrawn after hearing).

## Applications refused

- 129 The Licensing team's objective is to ensure that investors and financial consumers can reasonably expect that persons licensed and registered by ASIC have adequately demonstrated that they meet, and will continue to meet, the appropriate minimum statutory requirements in the provision of their financial services and financial products. This has to be balanced against the objective of enhancing market efficiency by facilitating competition and reducing unnecessary regulatory red tape for businesses.

- 130 We need to ensure that applicants who do not meet the statutory requirements are not licensed, given that they have the potential to inflict significant financial and personal detriment on investors and financial consumers.
- 131 ASIC must not grant an AFS licence application unless:
- (a) we have no reason to believe that the applicant will be likely to contravene the obligations that will apply under s912A of the Corporations Act if the licence is granted (see s913B(1)(b)); and/or
  - (b) we have no reason to believe that the applicant's responsible officers are not of good fame or character (see s913B(3)(a)(i)).
- 132 The threshold for ASIC's statutory obligation to grant and refuse an AFS licence under s913B of the Corporations Act was clarified in the *Corporations Amendment (Future of Financial Advice) Act 2012*, with the effect that we are now more appropriately able to take account of the likelihood or probability of a future contravention.
- Note: See also *One RE v ASIC* 2012 AATA 294, as discussed at paragraph 99 of REP 433.
- 133 We refused four AFS licence applications during the relevant period (one of these related to a new AFS licence application and three were related to an AFS licence variation).

## AFS licences suspended or cancelled

- 134 We can suspend or cancel an AFS licence for a number of reasons, including where the licensee:
- (a) enters into external administration;
  - (b) becomes deregistered;
  - (c) has not complied with the conditions on its licence;
  - (d) ceases to carry on a financial services business; or
  - (e) applies to ASIC for a suspension or cancellation.
- 135 During the relevant period, we suspended nine AFS licences due to the licensee's circumstances (e.g. where the licensee entered into external administration), or as initiated by ASIC. Such suspensions may originate from complaints by the public, or from surveillance activities initiated by ASIC or other persons (e.g. a breach notification provided by the auditor or where the licensee fails to comply with the conditions on its licence).
- 136 Where a cancellation or suspension occurs, we may still specify that statutory obligations remain in place. Such obligations may include the continuation of professional indemnity insurance, continuation of

membership with an external dispute resolution scheme and continuation of the obligation to lodge accounts.

- 137 During the relevant period, we cancelled 143 AFS licences. Of these:
- (a) 135 were cancelled at the request of the licensee. The main reason licensees gave for requesting a cancellation is that they had ceased to conduct a financial services business as a result of retirement or the sale of their client list/business; and
  - (b) eight were cancelled following action initiated by ASIC. The main reason for ASIC initiating the cancellation of an AFS licence was because the licensee entered into external administration or was deregistered by ASIC.

## C Credit licences

### Key points

During the relevant period, we considered 508 credit licence applications (comprising 333 received during the relevant period and 175 received before the relevant period), and finalised 58% (296) of these in the period.

Of the 296 credit licence applications finalised, we granted 189 new licences and 107 licence variations. Of the 225 credit licence applications (including variations) that we approved during the relevant period, we imposed:

- a key person condition on 150 licences; and
- additional conditions on four licences.

We rejected for lodgement five credit licence applications, while 41 were withdrawn before we made a formal determination. We did not refuse any credit licence applications during this period.

Three credit licences were suspended and 153 credit licences were cancelled.

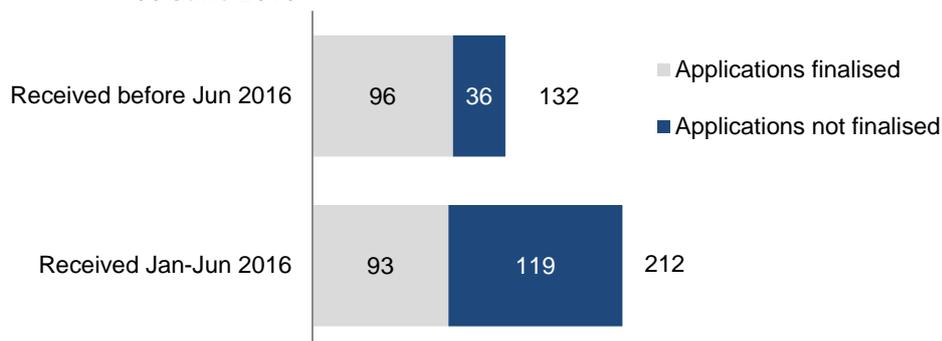
### Applications and regulatory outcomes

- 138 An application for a credit licence may be rejected for lodgement, approved, withdrawn or refused. An application that is approved may also have additional regulatory outcomes. For further background information, see paragraphs 108–110 of REP 433.

### Applications finalised

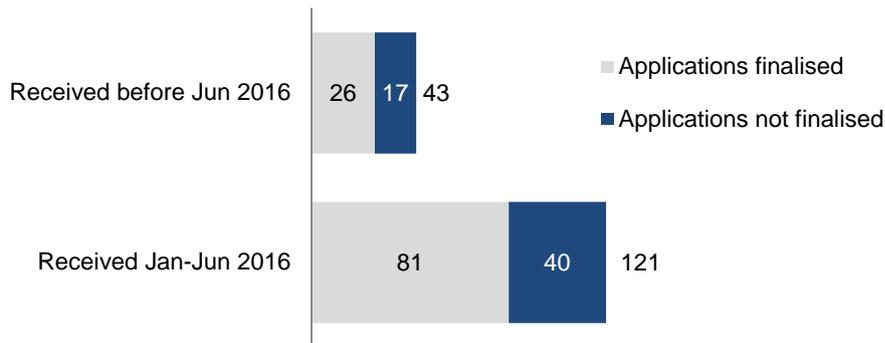
- 139 Figure 15 and Figure 16 summarise the number of new credit licence and credit licence variation applications that were finalised during the relevant period in comparison with those lodged.

**Figure 15: Number of lodged and finalised new credit licence applications—1 January to 30 June 2016**



Note: See Table 20 in the appendix for the complete data used in this figure (accessible version).

**Figure 16: Number of lodged and finalised credit licence variation applications—1 January to 30 June 2016**



Note: See Table 21 in the appendix for the complete data used in this figure (accessible version).

140 Table 5 provides a breakdown of how the credit licence applications we finalised during the relevant period were decided. A total of 71 applications were either rejected for lodgement or withdrawn by the applicant during the relevant period.

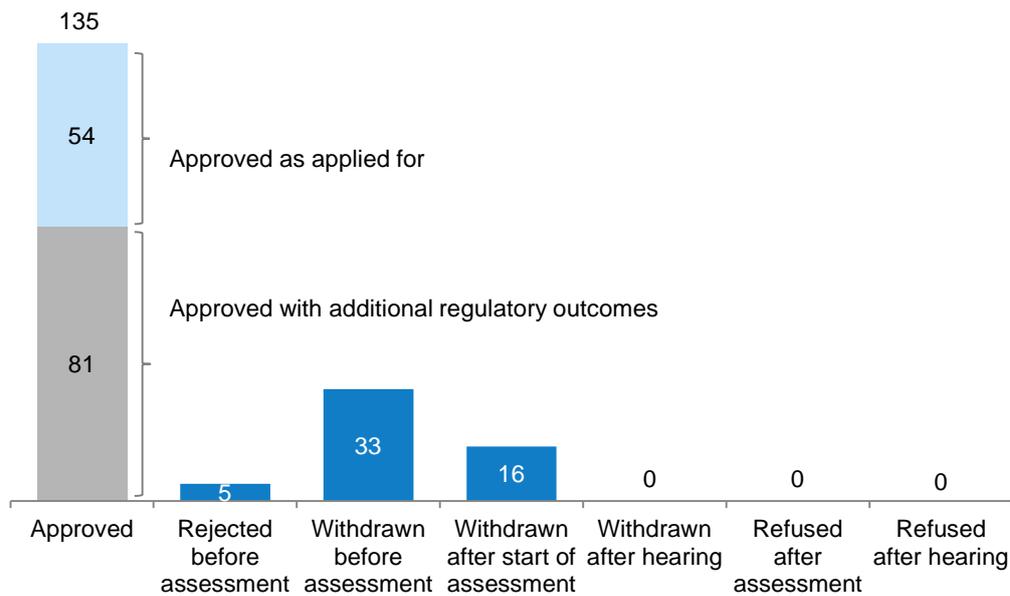
**Table 5: How finalised credit licence applications were decided—1 January to 30 June 2016**

Status of applications finalised Jan–Jun 2016	New licence applications received before Jan 2016	New licence applications received Jan–Jun 2016	Licence variation applications received before Jan 2016	Licence variation applications received Jan–Jun 2016
Approved (with and without additional regulatory outcomes)	79	56	22	68
Rejected for lodgement (pre-lodgement)	0	5	0	0
Withdrawn before start of assessment (pre-lodgement)	6	27	1	7
Withdrawn after start of assessment (post-lodgement)	11	5	3	6
Withdrawn after hearing	0	0	0	0
Refused after assessment	0	0	0	0
Refused after hearing*	0	0	0	0
<b>Total applications finalised</b>	<b>96</b>	<b>93</b>	<b>26</b>	<b>81</b>

\* Only variation applications that are partially refused have recourse to a hearing by an ASIC delegate.

141 Figure 17 shows the status of new credit licence applications we finalised in the relevant period. This graph also shows the number of applications we approved in the form requested by the applicant.

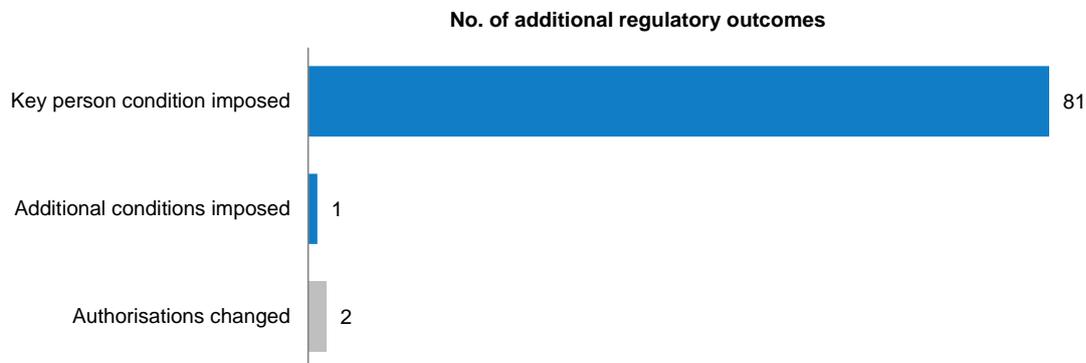
**Figure 17: Number of finalised new credit licence applications by status—1 January to 30 June 2016**



Note: See Table 22 in the appendix for the complete data used in this figure (accessible version).

142 Figure 18 shows the new credit licence applications we approved with additional regulatory outcomes during the relevant period, broken down by the type of regulatory outcome achieved.

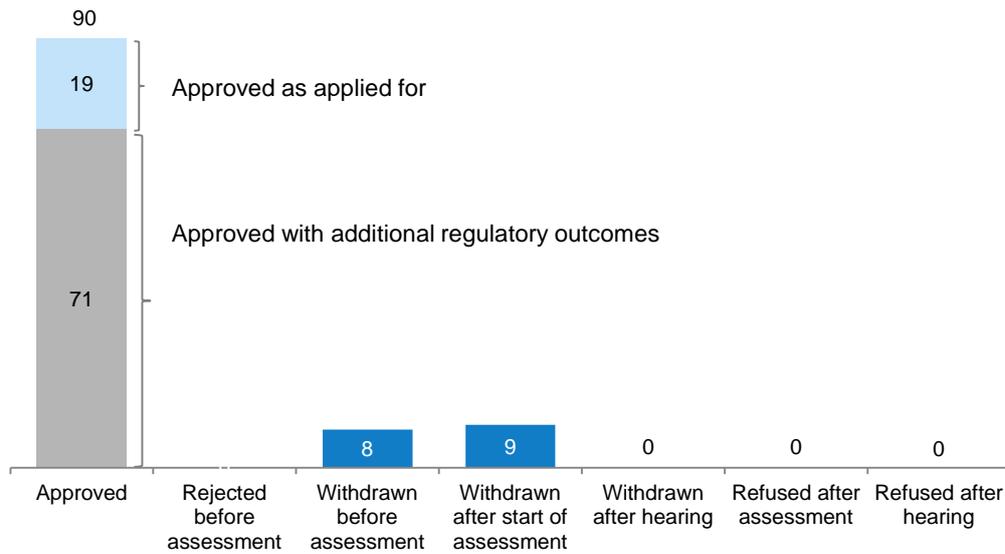
**Figure 18: Number and type of additional regulatory outcomes in approved new credit licence applications—1 January to 30 June 2016**



Note: See Table 23 in the appendix for the complete data used in this figure (accessible version).

143 Figure 19 shows the status of credit licence variation applications we finalised in the relevant period, with a breakdown of those we approved with additional regulatory outcomes and those we approved in the form requested by the applicant.

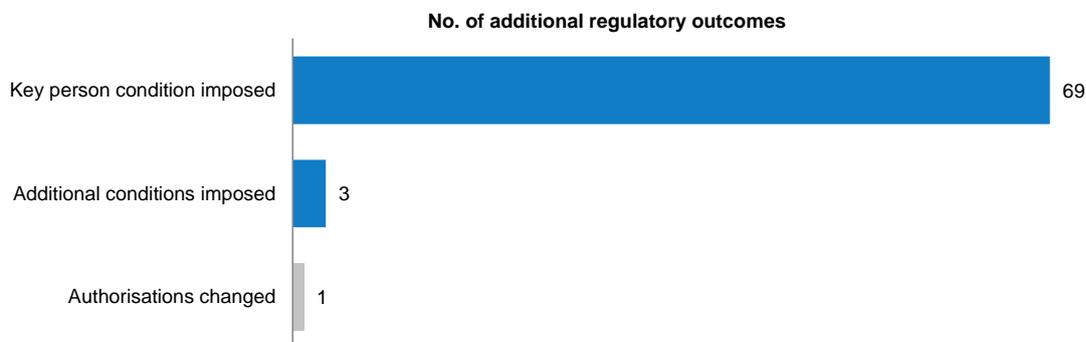
**Figure 19: Number of finalised credit licence variation applications by status—1 January to 30 June 2016**



Note: See Table 24 in the appendix for the complete data used in this figure (accessible version).

144 Figure 20 shows the credit licence variation applications we approved with additional regulatory outcomes, with a breakdown of the regulatory outcomes achieved.

**Figure 20: Number and type of additional regulatory outcomes in approved credit licence variation applications—1 January to 30 June 2016**



Note 1: See Table 25 in the appendix for the complete data shown in this figure (accessible version).

Note 2: There may be more than one additional regulatory outcome for each approved licence variation application. For example, we may refuse a key person change and impose additional conditions.

## Applications approved with additional regulatory outcomes

### Additional conditions imposed on credit licences

145 Under s45 of the National Credit Act, we may impose conditions, or additional conditions, on a credit licence and may vary or revoke existing conditions. In 32% of credit licence applications, we granted the licence or variation in the form applied for by the applicant.

**Key person condition**

146 Similarly to AFS licence applications, the most common credit licence  
condition we impose is a key person condition. If a credit licensee is  
heavily dependent on the competence of one or more responsible managers  
(e.g. where the licensee has a sole responsible manager), we will generally  
impose a 'key person condition', and require that these persons are named  
on the credit licence as a key person.

147 During the relevant period, we imposed a key person condition on:

- (a) 81 of the approved new credit licences (60% of approved applications); and
- (b) 69 of the approved credit licence variations (77% of approved applications).

**Other conditions**

148 We may impose other conditions on a credit licence where we consider that  
an applicant may need further monitoring or should be specifically required  
to undertake some additional process.

149 During the relevant period, we imposed additional conditions on three of the  
approved credit licence variations. An additional condition imposed on one  
credit licensee included a compliance expert requirement, requiring an initial  
and a subsequent compliance review after issue of the licence variation.

**Responsible managers**

150 We will require the appointment of an additional responsible manager or  
managers when our assessment of an application concludes that the  
nominated responsible managers do not demonstrate sufficient competence  
for the authorisations sought.

151 During the relevant period, while we did not require additional responsible  
managers be appointed, a number of nominated responsible managers were  
assessed as not having the requisite relevant experience. In some cases, this  
was because the responsible managers were seeking to rely on:

- (a) experience that was gained in an unlicensed environment (i.e. the person was providing credit services that required a licence, but neither they nor their employer were licensed; or
- (b) experience that was gained in relation to exempt credit services.

152 ASIC does not recognise the experience described in paragraphs 151(a)  
and 151(b). However, experience gained in the provision of mortgage  
management services is regarded as relevant experience for the provision  
of consumer credit, provided that there are no issues with that conduct  
(e.g. complaints or a failure to meet the requisite standards in relation to  
those activities).

## Applications rejected or withdrawn

- 153 Applicants may withdraw their licence applications. The most common reason for withdrawals is linked to the quality of the application—that is, where we communicate to the applicant, and the applicant agrees, that the final outcome is likely to be a refusal if the matter proceeds to a hearing.
- 154 The application might lack relevant information or might be linked to individuals who do not meet the competence requirements to perform their duties. Ultimately, however, it is the applicant’s decision whether or not to proceed with the application.
- 155 Reasons for credit licence withdrawals are similar to those for an AFS licence, with withdrawals occurring before and after lodgement.
- 156 During the relevant period:
- (a) we rejected for lodgement five new credit licence applications;
  - (b) 33 new credit licence applications were withdrawn before our assessment; and
  - (c) 16 new credit licence applications were withdrawn after our assessment.
- 157 In a significant number of cases, rejections and withdrawals were the result of applicants nominating responsible managers who were unable to demonstrate relevant experience: see paragraph 156.
- 158 In addition, we did not reject for lodgement any applications to vary an existing credit licence, six variation applications were withdrawn before assessment commenced, and another nine were withdrawn after the start of our assessment.

## Applications refused

- 159 Under s37 of the National Credit Act, we must refuse a credit licence application if we have reason to believe that the applicant is likely to contravene the obligations that will apply under s47 of the Act if the licence is granted. This statutory requirement is the same as that discussed in relation to applications for AFS licences: see paragraph 131.
- 160 We may also refuse a credit licence application if we have reason to believe that a person who is a director, secretary or senior manager of the applicant is not a fit and proper person to engage in credit activities.
- 161 During the relevant period, we did not refuse any applications either for a new credit licence or to vary an existing credit licence.

162 We believe that there would have been a number of other credit licence applications refused if applicants did not voluntarily withdraw their applications before the need for a formal determination by an ASIC delegate.

## Credit licences suspended and cancelled

163 As with AFS licences, we can suspend or cancel a credit licence for a number of reasons, including where the licensee:

- (a) enters into external administration;
- (b) becomes deregistered;
- (c) has not complied with the conditions on its licence;
- (d) ceases to carry on a financial services business; or
- (e) applies to ASIC for a suspension or cancellation.

164 Where a cancellation or suspension occurs, we may still specify that statutory obligations remain in place. Such obligations may include the continuation of professional indemnity insurance, continuation of membership with an external dispute resolution scheme and continuation of the obligation to lodge accounts.

165 During the relevant period, there were 153 credit licence cancellations. Of these, 16 were initiated by ASIC (non-enforcement) and 137 were initiated by the credit licensee. The main reasons for the cancellations were:

- (a) the credit licensee was insolvent; and/or
- (b) the credit licensee had ceased carrying on credit activities.

166 There were three ASIC-initiated suspensions during the relevant period. Reasons for the suspensions included insolvency and not having a responsible manager with the required competence.

## D Liquidator, company auditor and approved SMSF auditor registrations

### Key points

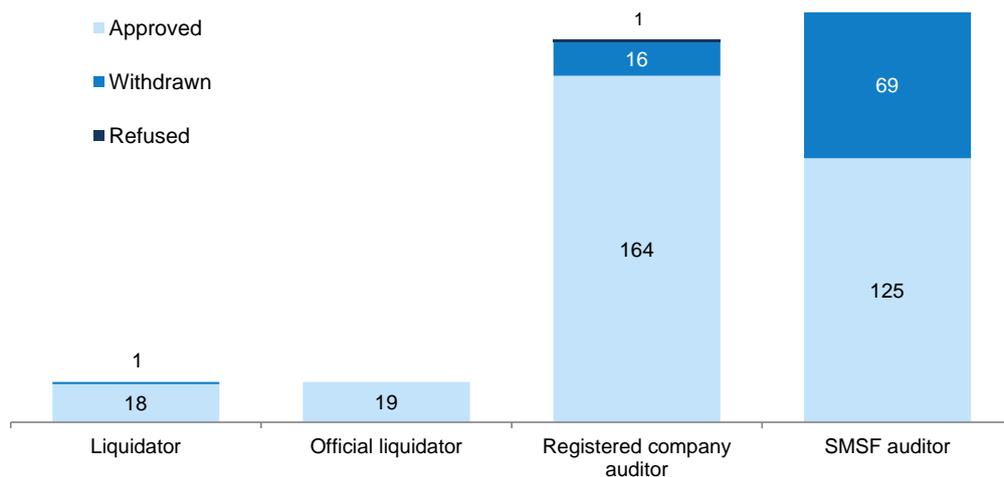
In the relevant period, we:

- approved 18 applications for registration as a liquidator, approved 19 applications for registration as an official liquidator and cancelled the registration of 21 registered liquidators;
- registered 164 company auditors, received withdrawal requests from 16 applicants and cancelled the registration of 153 company auditors and one authorised audit company; and
- registered 125 approved SMSF auditors, received withdrawal requests from 69 applicants and cancelled the registration of 124 SMSF auditors.

## Outcomes of registration applications

167 Figure 21 summarises the outcomes of applications for registration as a liquidator, official liquidator, registered company auditor or approved SMSF auditor.

**Figure 21: Number of finalised liquidator and auditor registration applications by status—  
1 January to 30 June 2016**



Note: See

Table 26 in the appendix for the complete data used in this figure (accessible version).

## Liquidators

### Registration

168 Under s1282(2) of the Corporations Act, we must grant an application for registration as a liquidator if certain requirements are satisfied. For further background information on the registration process, see paragraph 136 of REP 433.

169 During the relevant period, we approved 18 applications for registration as a liquidator and 19 applications for registration as an official liquidator.

### Withdrawals

170 One application for registration as a liquidator was withdrawn during the relevant period.

### Refusals

171 We did not refuse any applications for registration as a liquidator or for registration as an official liquidator during the relevant period.

### Suspensions and cancellations

172 ASIC does not have the power to suspend a liquidator. We may apply to CALDB to suspend a liquidator's registration: s1292(2) of the Corporations Act.

173 We only have the power to cancel the registration of a liquidator where the liquidator:

- (a) becomes insolvent;
- (b) is subject to a prohibition under Pt 2D.6 of the Corporations Act;
- (c) fails to maintain adequate professional indemnity insurance;
- (d) requests that we cancel the registration of the liquidator; or
- (e) is deceased.

174 Cancellations for any other reasons are dealt with by CALDB.

175 During the relevant period, 21 registered liquidators voluntarily cancelled their registration, 12 of whom were also official liquidators.

Note: An official liquidator must also be a registered liquidator. It is possible that an individual ceases to be an official liquidator and continues as a registered liquidator. However, one cannot cease as a registered liquidator and continue to operate as an official liquidator.

## Company auditors

### Registration

- 176 Under s1280 of the Corporations Act, we must grant an application for registration as a company auditor if certain requirements are met. For further background information, see paragraph 150 of REP 433.
- 177 During the relevant period, we registered 164 company auditors.

### Withdrawals

- 178 Sixteen applications for registration were withdrawn during the relevant period.

### Refusals

- 179 One application for registration was refused during the period.

### Suspensions and cancellations

- 180 There were 153 company auditors and one authorised audit company that ceased their registration during the relevant period. A common reason for this was the retirement or death of the registered individual.

## Approved SMSF auditors

### Registrations

- 181 Under s128B of the *Superannuation Industry (Supervision) Act 1993* (SIS Act), we must grant an application for registration as an approved SMSF auditor if the applicant (who must be an Australian resident) meets certain requirements regarding qualifications and practical experience and has passed the competency examination required in the SIS Act. For further background information, see paragraphs 159–161 of REP 433.
- 182 During the relevant period, we registered 125 applicants as approved SMSF auditors.

### Withdrawals

- 183 Sixty-nine applications for registration of an approved SMSF auditor were withdrawn during the relevant period.

## **Refusals**

- 184 We did not refuse any applications for registration as SMSF auditor during the period.

## **Suspensions and cancellations**

- 185 We may suspend or cancel the registration of an approved SMSF auditor for various reasons, including because the auditor has:

- (a) not complied with the conditions on their registration;
- (b) not conducted an audit for five years;
- (c) applied to ASIC for a suspension or cancellation; or
- (d) ceased to be an Australian resident.

- 186 During the relevant period, we cancelled 124 SMSF auditor registrations. Of these:

- (a) 123 were cancelled at the request of the SMSF auditor. Reasons are not recorded—however, these generally related to the auditor's retirement, change of career or death; and
- (b) one was cancelled following action initiated by ASIC—in this case, the person was not an Australian resident.

## Appendix: Accessible versions of figures

This appendix provides accessible table data for the figures presented in this report.

**Table 6: Number of received/finalised limited AFS licence applications from 1 July 2013 to 30 June 2016**

Six-month period	Applications received	Applications finalised
July to December 2013	39	29
January to June 2014	38	32
July to December 2014	24	31
January to June 2015	49	42
July to December 2015	100	74
January to June 2016	899	324

Note: This is the data contained in Figure 1.

**Table 7: Number of AFS licences approved per financial year and total number of approved AFS licences**

Financial year ending 30 June	Number of approved AFS licences per year	Total number of approved AFS licences
June 2002	35	35
June 2003	601	626
June 2004	3,255	3,853
June 2005	401	4,135
June 2006	429	4,415
June 2007	369	4,625
June 2008	329	4,768
June 2009	285	4,803
June 2010	335	4,874
June 2011	329	4,883
June 2012	333	4,955
June 2013	389	5,043
June 2014	302	5,101
June 2015	323	5,198
June 2016	515	5,516

Note 1: The data for the period ending 30 June 2004 reflects the end of the AFS licensing transition period on 10 March 2004.

Note 2: This is the data contained in Figure 2.

**Table 8: Number of AFS licence applications by status per half year—January 2013 to June 2016**

Six-month period	Approved	Cancelled	Rejected/withdrawn/ refused	Suspended	Totals
January to June 2013	179	136	55	5	375
July to December 2013	163	128	72	7	370
January to June 2014	140	124	79	7	350
July to December 2014	174	120	115	8	417
January to June 2015	149	98	106	9	362
July to December 2015	168	61	141	11	381
January to June 2016	347	143	218	9	717

Note: This is the data contained in Figure 3.

**Table 9: Number of finalised limited AFS licence applications by status from 1 July 2013 to 30 June 2016**

Six-month period	Approved	Cancelled	Totals
July to December 2013	14	7	8
January to June 2014	17	6	9
July to December 2014	12	8	11
January to June 2015	16	16	10
July to December 2015	25	31	18
January to June 2016	203	82	39

Note: This is the data contained in Figure 4.

**Table 10: Number of credit licences approved per financial year and total number of approved credit licences**

Financial year ending 30 June	Number of approved credit licences per year	Total number of approved credit licences
June 2011	4,750	6,081
June 2012	325	6,004
June 2013	336	5,856
June 2014	360	5,837
June 2015	301	5,779
June 2016	248	5,726

Note: This is the data contained in Figure 5.

**Table 11: Number of credit licence applications by status per half year—January 2013 to June 2016**

Six-month period	Approved	Cancelled	Rejected/withdrawn/ refused	Suspended	Totals
January to June 2013	169	272	34	3	478
July to December 2013	177	188	75	7	447
January to June 2014	190	208	45	1	444
July to December 2014	166	172	76	0	414
January to June 2015	135	192	72	2	401
July to December 2015	113	156	92	3	364
January to June 2016	135	153	54	0	342

Note: This is the data contained in Figure 6.

**Table 12: Number of registered and official liquidators to 30 June 2016**

Financial year ending 30 June	Registered liquidators	Official liquidators
June 2009	900	368
June 2000	883	375
June 2001	858	371
June 2002	830	357
June 2003	835	363
June 2004	758	356
June 2005	762	367
June 2006	747	437
June 2007	689	447
June 2008	674	462
June 2009	660	484
June 2010	664	501
June 2011	669	517
June 2012	680	542
June 2013	685	569
June 2014	696	589
June 2015	711	611
June 2016	707	627

Note: This is the data contained in Figure 7.

**Table 13: Number of registered company auditors and approved SMSF auditors to 30 June 2016**

Financial year ending 30 June	Registered liquidators	SMSF auditors
June 2009	7,736	
June 2000	7,623	
June 2001	7,221	
June 2002	7,109	
June 2003	6,440	
June 2004	6,506	
June 2005	6,163	
June 2006	5,848	
June 2007	5,658	
June 2008	5,495	
June 2009	5,345	
June 2010	5,207	
June 2011	5,114	
June 2012	4,985	
June 2013	4,852	5,935
June 2014	4,729	7,073
June 2015	4,596	6,669
June 2016	4,483	6,671

Note 1: From 1 July 2013, SMSF auditors must be registered with ASIC.

Note 2: This is the data contained in Figure 8.

**Table 14: Number of lodged and finalised new AFS licence applications—1 January to 30 June 2016**

	Received Jan–Jun 2016	Received before Jun 2016
Applications finalised	394	170
Applications not finalised	752	38
Total applications lodged	1,146	208

Note: This is the data contained in Figure 9.

**Table 15: Number of lodged and finalised AFS licence variation applications—1 January to 30 June 2016**

	Received Jan–Jun 2016	Received before Jun 2016
Applications finalised	155	180
Applications not finalised	152	61
Total applications lodged	307	241

Note: This is the data contained in Figure 10.

**Table 16: Number of finalised new AFS licence applications by status—1 January to 30 June 2016**

Status of applications	Number of finalised applications
Approved (306 with and 40 without additional regulatory outcomes)	346
Rejected for lodgement (pre-lodgement)	147
Withdrawn before start of assessment (pre-lodgement)	49
Withdrawn after start of assessment (post-lodgement)	21
Withdrawn after hearing	0
Refused after assessment	0
Refused after hearing	1
Total applications finalised	564

Note: This is the data contained in Figure 11.

**Table 17: Number and type of additional regulatory outcomes in approved new AFS licence applications—1 January to 30 June 2016**

Type of additional regulatory outcome	Number of additional regulatory outcomes
Key person condition imposed	298
Additional conditions imposed	119
Responsible manager rejected	5
Additional responsible manager appointed	3
Approved after hearing	2
Authorisations changed	53

Note: This is the data contained in Figure 12.

**Table 18: Number of finalised AFS licence variation applications by status—1 January to 30 June 2016**

Status of applications	Number of finalised applications
Approved (180 with and 66 without additional regulatory outcomes)	246
Rejected for lodgement (pre-lodgement)	34
Withdrawn before start of assessment (pre-lodgement)	21
Withdrawn after start of assessment (post-lodgement)	29
Withdrawn after hearing	2
Refused after assessment	3
Refused after hearing	0
Total applications finalised	335

Note: This is the data contained in Figure 13.

**Table 19: Number and type of additional regulatory outcomes in approved AFS licence variation applications—1 January to 30 June 2016**

Type of additional regulatory outcome	Number of additional regulatory outcomes
Key person condition imposed	128
Additional responsible manager appointed	26
Additional conditions imposed	6
Responsible manager rejected	2
Withdrawn after hearing	2
Authorisations changed	80

Note: This is the data contained in Figure 14.

**Table 20: Number of lodged and finalised new credit licence applications—1 January to 30 June 2016**

	Received January to June 2016	Received before June 2016
Applications finalised	93	96
Applications not finalised	119	36
Total applications lodged	212	132

Note: This is the data contained in Figure 15.

**Table 21: Number of lodged and finalised credit licence variation applications—1 January to 30 June 2016**

	Received January to June 2016	Received before June 2016
Applications finalised	81	26
Applications not finalised	40	17
Total applications lodged	121	43

Note: This is the data contained in Figure 16.

**Table 22: Number of finalised new credit licence applications by status—1 January to 30 June 2016**

Status of applications	Number of finalised applications
Approved (81 with and 54 without additional regulatory outcomes)	135
Rejected for lodgement (pre-lodgement)	5
Withdrawn before start of assessment (pre-lodgement)	33
Withdrawn after start of assessment (post-lodgement)	16
Withdrawn after hearing	0
Refused after assessment	0
Refused after hearing	0
Total applications finalised	189

Note: This is the data contained in Figure 17.

**Table 23: Number and type of additional regulatory outcomes in approved new credit licence applications—1 January to 30 June 2016**

Type of additional regulatory outcome	
Key person condition imposed	81
Additional conditions imposed	1
Authorisations changed	2

Note: This is the data contained in Figure 18.

**Table 24: Number of finalised credit licence variation applications by status—1 January to 30 June 2016**

Status of applications	No. of finalised applications
Approved (71 with and 19 without additional regulatory outcomes)	90
Rejected for lodgement (Pre-lodgement)	0
Withdrawn before start of assessment (pre-lodgement)	8
Withdrawn after start of assessment (post-lodgement)	9
Withdrawn after hearing	0
Refused after assessment	0
Refused after hearing	0
Total applications finalised	107

Note: This is the data contained in Figure 19.

**Table 25: Number and type of additional regulatory outcomes in approved credit licence variation applications—1 January to 30 June 2016**

Type of additional regulatory outcome	
Key person condition imposed	69
Additional conditions imposed	3
Authorisations changed	1

Note: This is the data contained in Figure 20.

**Table 26: Number of finalised liquidator and auditor registration applications by status—1 January to 30 June 2016**

Status of applications				
Approved	18	19	164	125
Withdrawn	1	0	16	69
Refused	0	0	1	0

Note: This is the data contained in Figure 21.

## Key terms

Term	Meaning in this document
AAT	Administrative Appeals Tribunal
ADTR licence	Australian derivative trade repository licence
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services  Note: This is a definition contained in s761A.
AFS licensee	A person who holds an AFS licence under s913B of the Corporations Act  Note: This is a definition contained in s761A.
approved SMSF auditor	Has the meaning given in s10(1) of the SIS Act after 31 January 2013
ASIC	Australian Securities and Investments Commission
Australian derivative trade repository licence	An Australian derivative trade repository licence under s905C of the Corporations Act that authorises a person to operate a trade repository
authorised representative	A person authorised by an AFS licensee, in accordance with s916A or 916B of the Corporations Act, to provide a financial service or services on behalf of the licensee  Note: This is a definition contained in s761A.
CALDB	Companies Auditors and Liquidators Disciplinary Board
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
CP 260 (for example)	An ASIC consultation paper (in this example numbered 260)
credit licence	An Australian credit licence under s35 of the National Credit Act that authorises a licensee to engage in particular credit activities
credit licensee	A person who holds a credit licence under s35 of the National Credit Act
CS facilities	Clearing and settlement facilities as defined by s768A of the Corporations Act
digital advice	Also known as 'robo-advice' or 'automated advice'—the provision of automated financial product advice using algorithms and technology and without the direct involvement of a human adviser
financial service	Has the meaning given in Div 4 of Pt 7.1 of the Corporations Act

Term	Meaning in this document
fintech	Financial technology
limited AFS licence	An AFS licence that only includes authorisations to provide one or more of the following limited financial services: <ul style="list-style-type: none"> <li>• financial product advice on SMSFs;</li> <li>• financial product advice on a client's existing superannuation holdings, in certain circumstances;</li> <li>• class of product advice on: <ul style="list-style-type: none"> <li>– superannuation products;</li> <li>– securities;</li> <li>– simple managed investment schemes (as defined in reg 1.0.02 of the Corporations Regulations 2001);</li> <li>– general and life risk insurance products; and</li> <li>– basic deposit products; and</li> </ul> </li> <li>• arranging to deal in an interest in an SMSF</li> </ul>
liquidator	A person registered by ASIC under s1282 of the Corporations Act
managed investment scheme	Has the meaning set out in s9 of the Corporations Act
MDA	A managed discretionary account
marketplace lending	The facilitation of loans outside the traditional banking system by connecting borrowers with lenders or investors to expose lenders to the risks and benefits of particular loans via an online platform
National Credit Act	<i>National Consumer Credit Protection Act 2009</i>
official liquidator	A person registered by ASIC under s1283 of the Corporations Act
OTC derivatives	over-the-counter derivatives
registered scheme	A registered managed investment scheme
relevant period	1 January to 30 June 2016
REP 433 (for example)	An ASIC report (in this example numbered 433)
RG 105 (for example)	An ASIC regulatory guide (in this example numbered 105)
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
SMSF	Self-managed superannuation fund
trade repository	A derivative trade repository—a facility to which information about derivative transactions, or about positions relating to derivative transactions, can be reported

## Related information

### Headnotes

ADTR licence, AFS licence, AFS licensee, application, approved SMSF auditor, authorisation, cancellation, company auditor, credit licence, credit licensee, digital advice, financial market, foreign exchange, licence variation, limited AFS licence, liquidator, managed discretionary account, managed investment scheme, marketplace lending, MDA, official liquidator, OTC derivatives, refusal, registration, rejected for lodgement, responsible manager, SMSF auditor, suspension, withdrawal

### Regulatory guides

*RG 1 AFS Licensing Kit: Part 1—Applying for and varying an AFS licence*

*RG 2 AFS Licensing Kit: Part 2—Preparing your AFS licence application*

*RG 3 AFS Licensing Kit: Part 3—Preparing your additional proofs*

*RG 98 Licensing: Administrative action against financial services providers*

*RG 104 Licensing: Meeting the general obligations*

*RG 105 Licensing: Organisational competence*

*RG 180 Auditor registration*

*RG 186 External administration: Liquidator registration*

*RG 203 Do I need a credit licence?*

*RG 204 Applying for and varying a credit licence*

*RG 205 Credit licensing: General conduct obligations*

*RG 218 Licensing: Administrative action against persons engaging in credit activities*

*RG 243 SMSF auditor registration*

### Legislation

#### Corporations Act

Part 7.6: Licensing of financial services providers

Part 9.2: Registration of auditors and liquidators

Part 9.2A: Authorised audit companies

## **Corporations Regulations**

Part 7.6: Licensing of financial services providers

Part 9.2: Registration of auditors and liquidators

Part 9.2A: Authorised audit companies

## **National Credit Act**

Chapter 2: Licensing of persons who engage in credit activities

## **National Credit Regulations**

Chapter 2: Licensing of persons who engage in credit activities

## **SIS Act**

Part 16, Div 1A, Subdiv A: Registration of approved SMSF auditors

## **Reports**

REP 429 *Cyber resilience: Health check*

REP 430 *ASIC regulation of registered liquidators: January to December 2014*

REP 433 *Overview of licensing and professional registration applications: July to December 2014*

REP 448 *Overview of licensing and professional registration applications: January to June 2015*

REP 467 *Overview of decisions on relief applications (June to September 2015)*

REP 476 *ASIC enforcement outcomes: July to December 2015*

## **Consultation papers**

CP 254 *Regulating digital financial advice* (and attached draft regulatory guide)

## **Cases**

*One RE v ASIC* 2012 AATA 294

## **Media releases**

16-081MR *ASIC issues guidance on marketplace lending* (21 March 2016)

15-358MR *ASIC obtains final orders against Park Trent* (30 November 2015)

15-293MR *ASIC cancels retail derivative issuer's licence* (15 October 2015).

15-233MR *Two overseas entities agree to stop providing unlicensed FX services* (27 August 2015)

15-224MR *ASIC cancels registration of liquidators* (24 August 2015)

15-211MR *Innovation Hub: ASIC update* (5 August 2015)

## **Information sheets**

INFO 179 *Applying for a limited AFS licence*

INFO 213 *Marketplace lending (peer-to-peer lending) products*

## **Pro formas**

PF 209 *Australian financial services licence conditions*