



## MEDIA RELEASE

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### FSC SUBMISSION RELEASED ON ASIC DIRECTION POWERS

The Financial Services Council (FSC) has released its submission on the Exposure Draft (ED) and Explanatory Materials (EM) in relation to the proposed ASIC directions powers.

FSC CEO Sally Loane said the FSC supports Commissioner Hayne's recommendation, however highlighted a few recommendations to ensure full transparency.

- Given the breadth of the power, and the other powers available to ASIC, the directions power should be drafted as a power of last resort;
- It should be made clear, that when exercising the directions power, ASIC has an obligation to provide the licensee with opportunities, such as the ability to make submissions, even where the circumstances existed before the commencement of the directions power legislation;
- When a decision relates to an APRA regulated entity, there should be a positive obligation on ASIC to consult with APRA. Failure to do so should have consequences as to the validity of the decision.
- The FSC provided a number of specific amendments as to how the ED can provide greater clarity.

The FSC submission is in response to Recommendations 7.2 of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Read the submission in full here: <https://fsc.org.au/resources/1944-fsc-submission-financial-sector-reform-hayne-rc-response-stronger-regulators-2020-measures-bill-2020-fsrc-rec-7-2-asic-directions/file>

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#### About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.