



ASIC

Australian Securities & Investments Commission

Level 7, 120 Collins Street
Melbourne VIC 3000
GPO Box 9827 Melbourne VIC 3001

Telephone (03) 9280 3358

Andrew Fawcett
Senior Executive Leader
Strategic Policy

1 July 2015

Mr Jason McNamara
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Email: helpdesk@obpr.gov.au

Dear Mr McNamara

Regulation Impact Statement—Second-Pass Final Assessment

I am writing in relation to the attached draft Regulation Impact Statement (RIS) prepared for ASIC's proposals on Facilitating Digital Disclosure.

The proposals are to remove regulatory barriers and update guidance that are inhibiting participants in the financial services disclosure regime from choosing the most appropriate, effective or efficient method of communication to provide those disclosures.

I believe the RIS is compliant with the RIS requirements and is consistent with the ten principles for Australian Government policy makers. I am satisfied that to the extent possible, the RIS now addresses the suggestions made in your letter of 21 May 2015.

In particular, we have addressed the comments outlined in Attachment A to your letter as follows:

- Better explain the size of the problem: We have described the approximate number of printed and posted disclosure documents and consumers.
- Examine links to the Government's digital transformation agenda: We have included further reference to the Government's digital transformation agenda,

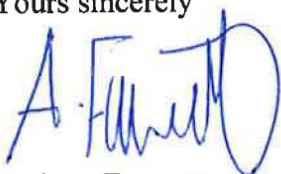
although we note that this agenda is more inwardly focused (e.g. on digitising government services), compared with the market focus of our proposals.

- Examine additional implementation options: the policy problem being addressed by the RIS is the barriers to digital disclosure. We have given careful consideration to the suggested additional implementation option; however, while this would be appropriate (as would an option for mandatory digital disclosure) if we were attempting to increase digital disclosure, we do not think it is an option to address the particular problem we have identified, which is barriers preventing the market choosing the best method for disclosures to be formatted and delivered.
- Examine if additional benefits from digital disclosure can be estimated: As suggested by OBPR, we have estimated additional benefits of digital disclosure for consumers by considering reduced storage costs, time saved from opting-in and/or opting-out and time saved from reduced channel shifting. We have also changed our assumptions around the take-up of digital disclosure, based on OBPR advice.
- Show more of the data and assumptions behind quantified estimates: We have included further detail to the extent that the data is not commercially sensitive.
- Better explore the possibility for unintended consequences: On the comment in your first bullet, while this proposal goes to regulated disclosure documents, and is expected to increase the use of digital channels for the delivery of this information, it does not affect other non-regulated communications, so there should be no change relating to promotional material (which is unregulated). On the comment in your second bullet, we have included a brief assessment of possible consequences for Australia Post. Offsetting effects for Australia Post are beyond the scope of this RIS.
- Minor issues: while we agree competition is generally desirable, in some cases, unfettered supply-driven competition, accompanied by information asymmetry (including timing mismatches) and an absence of repeat custom can result in poor consumer outcomes. Nevertheless, we have removed the reference to avoid confusion.

I am satisfied that the RIS is compliant with the RIS requirements and is consistent with the ten principles for Australian Government policy makers.

I submit the draft RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely



Andrew Fawcett
Senior Executive Leader
Strategic Policy