



ASIC

Australian Securities & Investments Commission

14 March 2017

Ms Tanja Cvijanovic
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Department of the Prime Minister and Cabinet
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Senior Executive Leader, Strategic Policy

By email: tanja.cvijanovic.pmc.gov.au

Dear Ms Cvijanovic

ASIC class order relief for business introduction or matching services [CO 02/273]

OBPR matter ID: 22011

I am writing to the Office of Best Practice Regulation (OBPR) regarding the Australian Securities and Investments Commission (ASIC) Class Order: [CO 02/273] *Business introduction or matching services* (the Instrument).

Effect and purpose of the Instrument

The Instrument provides conditional exemptions from the requirements in the Act that would otherwise apply to a person involved in a business introduction service in relation to:

- a) the offer or issue of debentures;
- b) fundraising;
- c) the issue, sale and purchase of financial products; and
- d) advertising and hawking.

Separate exemptions are provided for each of the following categories of persons involved in a business introduction service:

- a) operators of business introduction services;
- b) those who propose to issue or sell securities or interests in a registered managed investment scheme through the use of introduction services;
- c) those who endorse or verify information which appears in introduction services; and
- d) those who sponsor or publish introduction services.

The original policy rationale of the Instrument was to facilitate the growth of small and medium enterprises (SMEs) by reducing the regulatory and cost burden of small-scale fundraising, and assist SME's to locate potential investors. It was also intended to help facilitate investment by opening up the pool of investors that can invest in an SME.

Instrument to be remade

Under the Legislative Instruments Act 2003, the Instrument is scheduled to sunset on 1 April 2017. Following consultation, it has been decided that the Instrument is operating effectively and efficiently, and currently continues to form a necessary and useful part of the legislative framework. The Instrument will be remade without change and operate for a period of two years.

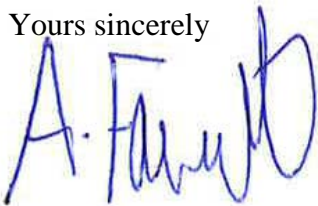
ASIC will conduct a further review of the operation of the Instrument, including further consultation with stakeholders, once the Corporations Amendment (Crowd-sourced Funding) Bill 2015 (the Bill) becomes law. If the Bill is passed it may give rise to policy issues that impact on ASIC's current approach to giving relief to business introduction services. It may also have practical consequences that may mean the relief is no longer necessary or tenable.

ASIC certifies that the Instrument is currently operating effectively and efficiently, and that therefore a Regulation Impact Statement is not required for this Instrument to be remade. The certification has been informed by targeted consultation with stakeholders. No suggestions or amendments were received in response of our proposal to remake the Instrument.

I acknowledge that OBPR will publish this letter for transparency purposes.

If you have any queries about this advice, please contact Belinda Sandonato on (03) 9280 3460, or Belinda.sandonato@asic.gov.au

Yours sincerely



Andrew Fawcett
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