



ASIC

Australian Securities & Investments Commission

14 March 2017

Ms Tanja Cvijanovic
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

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

Telephone: (03) 9280 3358
Facsimile: (03) 9280 3337

Andrew Fawcett
Senior Executive Leader, Strategic Policy

Email: helpdesk-OBPR@pmc.gov.au

Dear Ms Cvijanovic

Regulation Impact Statement –final assessment second pass

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for our proposals to give additional guidance to responsible entities on our expectations for compliance with their existing obligation under s912A(1)(h) of the *Corporations Act 2001* (Corporations Act) to maintain adequate risk management systems.

The regulatory burden to business, community organisations and/or individuals has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in your letter of 23 February 2017. Specifically, we have undertaken the following amendments:

1. included additional information in section B of the RIS on relevant international guidance and how this compares with our proposed guidance;
2. amended inconsistent references in the RIS on current industry practices and the impact on industry; and
3. included costings for all of the options in the form of the regulatory burden estimate table in section G of the RIS.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

Using the Regulatory Burden Measurement framework, it has been agreed that the proposals will increase compliance costs in the range of \$1,129,904 to \$1,309,904 and result in cost savings for the sector in the range of \$1,037, 012 to \$1,399,512 per annum over a ten year period. For all reporting periods, the Treasury portfolio has delivered net compliance costs reductions and there is no reason why the portfolio will not continue to deliver on its red tape reduction target in this period, in line with the Government's regulatory reform agenda.

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

If you have any questions arising from this letter, please do not hesitate to contact Leanne Damary, Senior Lawyer, Investment Managers and Superannuation on (02) 9911 2357.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Gerard Fitzpatrick', written in a cursive style.

Gerard Fitzpatrick

Senior Executive Leader

Investment Managers and Superannuation

Australian Securities and Investments Commission