



ASIC
Australian Securities &
Investments Commission

**Australian Securities
and Investments Commission**

Office address (inc courier deliveries):
Level 5, 100 Market Street,
Sydney NSW 2000

Mail address for Sydney office:
GPO Box 9827,
Brisbane QLD 4001

Tel: +61 1300 935 075
Fax: +61 1300 729 000

www.asic.gov.au

Mr Jason Lange
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet

By email: helpdesk-OBPR@pmc.gov.au

Your reference: ID 42677

27 September 2021

Dear Mr Lange

ASIC Class Order [CO 11/272]

I am writing to the Office of Best Practice Regulation (**OBPR**) regarding ASIC Class Order [CO 11/272] *Substantial holding disclosure: securities lending and prime broking* (**[CO 11/272]**) which, as per the *Legislation Act 2003*, has been scheduled to sunset on 1 October 2021. The instrument provides relief that makes substantial holding disclosure by persons involved in securities lending more practical and meaningful.

It has been decided by the Australian Securities and Investments Commission (**ASIC**) that the instrument is to be remade without significant amendment to the original relief. The instrument will also include analogous relief for agent lenders as set out in Consultation Paper 319 *Securities lending by agents and substantial holding disclosure* (**CP 319**).

ASIC certifies that [CO 11/272] is operating effectively and efficiently, and therefore a Regulation Impact Statement is not required for this instrument to be remade.

The assessment that the instrument is operating effectively and efficiently has been informed by a consultation process during the period from 21 June 2021 to 30 August 2021. We sought feedback from a wide variety of sources, including the Australian Securities Lending Association; the Australian Financial Markets Association; the Australian Shareholders Association, and other relevant industry associations and investment and governance advisory bodies.

The feedback from industry stakeholders confirmed that [CO 11/272] has been operating efficiently and effectively. This feedback supported ASIC remaking [CO 11/272] and incorporating an extension of the relief to agent

lenders, consistent with our proposal in CP 319. ASIC will shortly publish a feedback report on submissions received from the targeted consultation conducted this year and the earlier submissions received in response to CP 319.

I also note that the regulatory burden to business, community organisations or individuals of the instrument due to sunset and the instrument being remade has been quantified using the Australian Government's *Regulatory Burden Measurement framework* and will result in negligible regulatory costs as we have determined that the instrument is operating effectively and efficiently and is to be remade to extend the existing relief to agent lenders but otherwise without significant changes, thereby maintaining the status quo.

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

If you have any queries about this advice, please contact [REDACTED]
[REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Yanco', written in a cursive style.

Greg Yanco
Executive Director, Markets
Australian Securities and Investments Commission