



Australian Government

Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference: OBPR21-01210

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Mr James Kelly
A/g Deputy Secretary
Markets Group
The Department of the Treasury

Dear Mr Kelly,

Regulation Impact Statement – Second Pass Final Assessment – Licensing Relief for Foreign Financial Service Providers

Thank you for your letter received on 28 January 2022 submitting a Regulation Impact Statement (RIS) on Relief for Foreign Financial Service Providers (FFSPs) for formal second-pass Final Assessment. I note the RIS has been formally certified at the Deputy Secretary level consistent with the *Australian Government Guide to Regulatory Impact Analysis* (the Guide).

I appreciate the Department of the Treasury's (Treasury's) constructive engagement on the RIS, and note you have certified the potential benefits for investors from having access to FFSPs are unquantifiable.

The Office of Best Practice Regulation's (OBPR's) assessment is that the quality of the regulatory impact analysis in the RIS is adequate and therefore sufficient to inform a decision.

To be considered 'good practice' as per the Guide, the RIS would have benefitted from:

- providing more granularity in outlining the implementation process for preferred option 3, particularly by clarifying details of those elements yet to be decided at a future date; and
- more comprehensive qualitative analysis describing both the potential costs and benefits of each option, to more clearly demonstrate why option 3 (legislated relief) is preferred over the status quo (new relief) or option 2 (previous relief).

The RIS may now be provided to the decision-maker to inform their decision.

Next steps

After a final decision has been announced, I ask that Treasury officials work with the OBPR to finalise this material for public release. This includes providing a copy of the RIS in Word and PDF formats for web accessibility purposes. The RIS must be included in any Explanatory Memorandum or Statement giving effect to the proposals in the RIS.

If you have any further queries, please do not hesitate to contact me.

Yours sincerely

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

Jason Lange
Executive Director
1 February 2022