



Mr Jason Lange  
Executive Director  
Office of Best Practice Regulation  
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BARTON ACT 2600

27 January 2022

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Dear Mr Lange

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

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the proposed licensing relief for Foreign Financial Service Providers (FFSPs).

I am satisfied that the RIS addresses the concerns raised in the comments in your letter dated 20 January 2022. Specifically:

- evidence has been provided in the problem section demonstrating the need for an expedited Australian Financial Services Licence (AFSL) process for those FFSPs that wish to hold an AFSL;
- additional detail has been provided on option 3, including by moving comparison of the specific conditions of the relief under each option from the appendixes and into the body of the RIS;
- greater detail in qualitative analysis of each option is provided, particularly in sections 3 and 4;
- the options are now described without importing elements of the preferred option into the narrative;
- additional context has been provided regarding breach reporting requirements in subsection 4.4; and
- the fees and charges associated with obtaining an AFSL are excluded from the regulatory burden estimates.

The regulatory savings from option 3 are estimated to be \$19.2 million per year.

I note the benefits for investors from access to FFSPs are unquantifiable. FFSPs provide access to niche and global markets, specialised advice and greater investment diversity, which increases investor choice. Quantification of these benefits would require an assessment of which investment strategies and advice is likely to be best for a wide set of different wholesale and professional investors.

Accordingly, I am satisfied that the RIS is now consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Regulatory Impact Analysis*.

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

Yours sincerely



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