

**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

Your Reference: OBPR ID 26078

Email: helpdesk-OBPR@pmc.gov.au

25 January 2022

Dear Mr Lange

**ASIC Corporations (Product Intervention Order – Contracts for Difference)
Instrument 2020/986**

I am writing to the Office of Best Practice Regulation (**OBPR**) regarding ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986 (**CFD order**), which, as per subsection 1023G(2)(a) of the Corporations Act 2001 (**the Act**), is scheduled to sunset on 23 May 2022, unless it is extended in accordance with s1023H of the Act.

The Australian Securities and Investments Commission (**ASIC**) proposes to recommend that the Minister provide his written approval for ASIC to declare by legislative instrument under s1023H(1)(a) of the Act that the CFD Order remains in force until it is revoked. This letter is submitted to the Office of Best Practice Regulation in anticipation of a final policy decision once written Minister approval is received.

I certify that ASIC has reviewed and assessed the performance of the CFD order and found that it is achieving its objectives effectively and efficiently, and that therefore a Regulation Impact Statement is not required for this instrument to be extended.

The assessment that the instrument is operating effectively and efficiently has been informed in part by a public consultation process during the period from 18 October 2021 until 29 November 2021. We received feedback from CFD issuers, one industry body, consumer groups, CFD consumers and other stakeholders. In total we received 48 responses. Additionally, ASIC spoke with a number of stakeholders between 30 November 2021 and 17 January 2022.

Further, we gathered and analysed data for the period 12 months prior to and 6 months after the implementation of the CFD order from CFD issuers to assess the effectiveness of the CFD order in reducing client detriment. I have attached a copy of Consultation Paper 348 *Extension of the CFD product intervention* order and the draft feedback report that summarises these submissions and our data analysis.

As ASIC proposes to extend the CFD order without changes, there will be no changes in costs and a regulatory costing is not required.

I acknowledge that OBPR will publish this letter for transparency.

Yours sincerely,

Cathie Armour
Commissioner
Australian Securities and Investments Commission
25 January 2022