



**ASIC**  
Australian Securities &  
Investments Commission

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and Investments Commission**

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

Your Reference: OBPR22-02690

Email: [helpdesk-OBPR@pmc.gov.au](mailto:helpdesk-OBPR@pmc.gov.au)

12 July 2022

Dear Mr Lange

**ASIC Corporations (Product Intervention Order – Binary Options) Instrument  
2021/240**

I am writing to the Office of Best Practice Regulation (**OBPR**) regarding ASIC Corporations (Product Intervention Order – Binary Options) Instrument 2021/240 (**Binary Options Order**), which, as per subsection 1023G(2)(a) of the Corporations Act 2001 (the **Act**), is scheduled to lapse on 7 October 2022, unless it is extended in accordance with section 1023H of the Act.

The Binary Options Order is a product intervention order made by the Australian Securities and Investments Commission (**ASIC**) that, since 3 May 2021, has prohibited the issue and distribution of over-the-counter binary options to retail clients after ASIC found that binary options have resulted in, and are likely to result in, significant detriment to retail clients.

ASIC proposes to recommend that the Minister provide his written approval for ASIC to declare by legislative instrument under section 1023H(1)(a) of the Act that the Binary Options Order remains in force until it is revoked or sunsets on 1 October 2031. This letter is submitted to OBPR in anticipation of a final policy decision if and when written Ministerial approval is received.

I certify that ASIC has reviewed and assessed the performance of the Binary Options 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 26 May 2022 until 20 June 2022. We received three public submissions from a CFD issuer (who previously issued binary options to retail clients), a consumer group and a law association. There were no confidential submissions. Further, we gathered and analysed data for the period 13 months prior and 8 months after the implementation of the Binary Options Order from five licensed binary option issuers to assess the effectiveness of the Binary Options Order in reducing client detriment.

I have attached a copy of Consultation Paper 362 [Extension of the binary options product intervention order](#) and the draft feedback report (confidential until final publication) that summarises these submissions and our data analysis.

As ASIC proposes to extend the Binary Options 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.

If you have any queries about this letter please contact Somer Taylor, Senior Manager, Market Supervision ([somer.taylor@asic.gov.au](mailto:somer.taylor@asic.gov.au)).

Yours sincerely,



Karen Chester  
Deputy Chair  
Australian Securities and Investments Commission  
12 July 2022