

QUESTION ON NOTICE

Question:

15QW

AFS Licence application processing time

Written

Is it true that ASIC's expected time to process local Australian Financial Services Licence applications has gone from three to nine months over the past year and a half?

- a. If so, why has this delay occurred?
- b. If not, can you please provide the average time for this process to occur?

Answer:

No. It is not true that ASIC's expected time to process local Australian Financial Services Licence (AFSL) applications has gone from three to nine months over the past year and a half.

In November 2017, ASIC's Service Charter was amended, changing ASIC's target timeframe for processing AFSL applications and variations to:

- 70% within 150 days (5 months) of receipt (previously 60 days or 3 months); and
 - 90% within 240 days (8 months) of receipt (previously 120 days or 4 months).
- a. The changes to ASIC's Service Charter reflect ASIC's increasingly robust risk assessment methodology to assess licence applications resulting in closer scrutiny of some applications.

For the six-month period ending 31 December 2016, ASIC's processing time for AFSL applications was:

- 70% within 108 days (3.6 months); and
- 90% within 208 days (7 months).

For the 2017/2018 financial year, ASIC's processing time for AFSL applications was:

- 70% within 148 days (5 months); and
- 90% within 273 days (9 months).

ASIC's assessment time is also dependent on several factors, including the:

- objective riskiness of an application;
- quality of the application;
- complexity of the authorisations sought;
- business model proposed;
- competence and good fame and character of relevant persons; and
- response times in the collection of information relevant to ASIC's assessment.

Given the variability of these factors, assessment times can vary greatly.

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b. For the six months to 30 June 2018, ASIC's processing time for AFSL applications was:

- 25% within 45 days (1.5 months);
- 50% within 111 days (3.7 months);
- 70% within 156 days (5.2 months); and
- 90% within 274 days (9.2 months).