



ASIC
Australian Securities &
Investments Commission

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| Committee | Parliamentary Joint Committee on Corporations and Financial Services |
| Inquiry | Oversight of the ASIC, the Takeovers Panel and the Corporations Legislation No. 1 of the 46th Parliament |
| Question No. | QON 019 |
| Date | 27 August 2021 |
| Topic | Single Disciplinary Body |
| Reference | Spoken, 27 August 2021, Hansard page 36 |
| Committee member | Mr Bert Van Manen |

Question

Ms Press: What we don't have any idea about or what we are waiting for is when the panel needs to be convened. **On notice, we can give you a cost of what convening a panel would take.** What we don't have any idea about is two things. Firstly, we do have an idea about it but what is still unclear is when we will need to convene that panel. At the moment, in the way it's currently drafted, there's little flexibility for us to not convene a panel if we come to a position that there has been a breach of the code or the law. What we don't know is when we will need to convene a panel in all circumstances. Secondly, we don't know how many breaches will go through, particularly with the single disciplinary body, because this is new. **There are a number of moving parts here. We can certainly get back to you, and I will get back to you with an estimate of what we think each panel will cost. The question is: how many panels are we going to convene.**

Mr VAN MANEN: What was the threshold for convening a panel under the old financial services and credit panel?

Ms Press: I would have to ask one of my colleagues to help me on that, but it was a completely different set of circumstances in which that panel was convened and it was not looking at breaches of a code or breaches of a financial adviser position. Maybe one of my colleagues can help me out.

Ms Armour: Yes, that panel was convened in circumstances where ASIC was considering whether or not a financial adviser, for example, could be banned. That's a much more limited set of situations than whether or not there's a breach of, as you'd know, quite a number of very detailed, prescriptive rules in chapter 7 that relate to financial advice. It was a much more limited set of circumstances.

Mr VAN MANEN: If you could come back to me on that, I'm happy to put all of that on notice. I don't have any more questions at this point, Chair.

Answer

Ms Press: What we don't have any idea about or what we are waiting for is when the panel needs to be convened. **On notice, we can give you a cost of what convening a panel would take.**

The panel will consist of two external members who would be paid according to a rate yet to be determined by either the Remuneration Tribunal or the Minister. The third member would be a senior ASIC staff member whose salary costs would have to be included, as would

those of any ASIC staff who provided administrative support. Sitting behind this are the costs incurred in the course of ASIC's investigation of the matter.

Mr VAN MANEN: What was the threshold for convening a panel under the old financial services and credit panel?

ASIC would generally, subject to its discretion, refer a matter to the FSCP if it considered it was appropriate for peer review because of its significance, complexity or novelty. The FSCP would exercise ASIC's financial services and/or ASIC's credit banning powers, following ASIC delegating those powers to the FSCP.