

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES
OVERSIGHT OF ASIC, THE TAKEOVERS PANEL AND THE CORPORATIONS LEGISLATION
Commonwealth Bank of Australia

Questions on notice:

The committee has received submissions from the Financial Services Council and Computershare on enabling CHESS holding statements to be sent to investors by email. The committee would welcome a response from CommSec on:

- the issues raised by the Financial Services Council and Computershare;
- CommSec's intentions regarding access to CHESS holding statements by email, including timeframes;
- any barriers that exist to enabling CHESS holding statements to be sent by email; and
- whether regulators or the government can assist in resolving any barriers

Answer:

CommSec's intentions regarding access to CHESS holding statements by email

CommSec plans to enable customers to make use of electronic communication for access to CHESS related statements via the ASX eStatements service on an opt-in basis.

We note that the ASX eStatements service is an electronic facility and is not an email service, although it requires the provision of the investor's email address to the ASX.

CommSec recognises the opportunity to increase efficiency for both industry participants and investors who use CHESS, and to create a safe repository for digital information for our customers who invest in equities and exchange-traded funds.

Barriers that exist to enabling CHESS holding statements to be sent by email

The sharing of investors' personal information, including email addresses, between financial institutions via CHESS needs to consider and address several issues:

- There are privacy considerations with mandating the provision of investors' personal information beyond the ASX. There needs to be assurance that if information is shared with third parties, such as registries, it is only used for the purpose for which it is collected.
- For brokers not opted-in to CHESS eStatements, the provision of email addresses (and updating other investor personal information) via CHESS incurs a fee.
- CommSec recognises that from an accessibility perspective, the use of email may not be the preferred channel of choice for some customers, and so alternative options are made available. At present, customers can communicate with us via email and phone. We also issue statements and contract notes to our customers by email, which is our preferred

form of communication, though paper copies remain available. We note that where an email communication fails, we will send customers paper contract notes.

- We recognise that an online facility to securely retrieve information is safer than sending by email. CommSec supports facility provision of confirmations and acknowledges that the ASX eStatements service is a facility, not an email service.

Whether regulators or the government can assist in resolving any barriers

CommSec would be supportive of measures that ensure that investing in securities listed on equity markets remain accessible and inclusive to all Australians.