

30 July 2021

Regulatory Powers and Accountability Unit
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: FFSP@treasury.gov.au

Re: Consultation on Relief to Foreign Financial Service Providers

On behalf of the Sell-side of the Asia Securities Industry & Financial Markets Association (“ASIFMA”)¹ and its members, we would like to thank you for the opportunity to provide comments on the consultation paper “[Relief to Foreign Financial Service Providers Consultation Paper](#)” issued by the Treasury of the Australian Government (“**Consultation Paper**”).

We had liaised with the Australian Financial Markets Association (“AFMA”) on the Consultation Paper and had the opportunity to review and consider AFMA’s response, dated today to the Consultation Paper. We would like to express our support for AFMA’s response and would like to endorse their submission.

We agree with AFMA on the following key points:

1. Law reform is necessary to avoid Australian law having extra-territorial overreach and deterring business being done from Australia.
2. We propose building on existing arrangements for professional investors to freely access from Australia the services they need from foreign providers in other jurisdictions to address the problem of extra-territorial overreach by establishing a proper boundary for licensing requirements. This would complement the licensing arrangements for services to other wholesale investors with regard to financial services provided into Australia.

¹ ASIFMA is an independent, regional trade association with over 150 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative, competitive and efficient Asian capital markets that are necessary to support the region’s economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the GFMA alliance with SIFMA in the United States and AFME in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

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3. Adjustments to Option 3 are suggested so that providers dealing with wholesale investors not in the class of professional investor have the same practical outcomes that they had under ASIC's pre-March 2020 relief arrangements.
4. Sufficient equivalence recognition needs to be broader and agile in line with IOSCO principles on cross-border harmonisation.
5. Licensing arrangements for wholesale financial services being provided into Australia from foreign providers need to balance local accountability to ASIC with the need to avoid redundant duplication of oversight where the home regulator already has equivalent regulation.

We would be glad to discuss any aspect of this response further with the Australian Government. If you have any comments or questions, please do not hesitate to contact Patrick Pang (ppang@asifma.org) and Channette Chan (cchan@asifma.org).

Yours faithfully,



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