

## ***ASIC announces changes to regulatory activities due to COVID-19***

**Source:** [Australian Securities and Investments Commission](#)

**Date:** 14 April 2020

**Abstract:**

The Australian Securities and Investments Commission has provided details of changes to its regulatory work and priorities in order to allow both the regulator and regulated entities to focus on areas of immediate concern relevant to the impact of the pandemic.

The regulator has stated that is committed to working constructively and pragmatically with the firms it regulates, mindful that they may encounter difficulties in undertaking their regulatory compliance due to the impact of COVID-19. ASIC Chair James Shipton also acknowledged particular strain on the Australian financial services sector and that industry participants are taking special measures to support adversely affected customers. ASIC expects financial services providers to continue to act fairly and in the best interest of consumers in these extraordinary times but will limit the regulatory activity that they need to respond to as much as possible and is also working with the financial industry to identify other areas where it can provide support.

ASIC has delayed a number of consultations, regulatory reports and reviews that are not immediately necessary in light of the current situation and has begun monitoring firms remotely where onsite supervisory work is not possible. Enforcement action will continue, however changes in timing and process may be necessary to take into account the impacts of COVID-19, including on court procedures.

ASIC has published documentation on its website, detailing projects that have been deferred and other areas of focus. Those of relevance to Corporations are outlined below, for full details see the ASIC [website](#) :

- **Cross sector:** ASIC is deferring until further notice its work on Internal dispute resolution review, Close and Continuous Monitoring (CCM) program and Report on executive remuneration
- **Financial Advice:** as detailed in [our previous legal update](#), ASIC is providing temporary relief to facilitate advisors to provide advice to clients experiencing financial difficulty due to COVID-19 regarding early access to superannuation. ASIC is also deferring until further notice its review of life insurance advice reforms and review of changes to grandfathered conflicted remuneration commission arrangements.
- **Managed funds:** ASIC is continuing its work on changes to fees and costs disclosure requirements for managed funds and superannuation and is working on amendments to RG 97. It is also considering amending the transitional arrangements for PDS's. Any changes will be announced in due course. However the Platform fees consultation paper has been deferred until further notice. The Managed discretionary account policy review consultation paper has also been deferred, however ASIC will continue to develop its own proposals on both issues. ASIC is also deferring its public consultation paper on Timeshare stage 2 for up to a year, but will continue to develop its proposals on selling practices in timeshare and on secondary sales and will proceed with release of an updated regulatory guide and instrument to introduce amendments. ASIC is deferring industry engagement activities in relation to the recurrent managed funds data pilot until further notice.

- Superannuation:** as detailed in our [previous update](#), ASIC is providing a temporary no-action letter to superannuation trustees providing personal advice to members about early access to superannuation subject to certain conditions. ASIC will also defer the first reporting date for portfolio holdings disclosures under s1017BB of the Corporations Act, recognising that current conditions may make it difficult for trustees to prioritise this. ASIC does not currently intend to defer the Superannuation Industry (Supervision) Act 1993 requirements for annual member meetings of superannuation funds but will monitor conditions and revisit this if appropriate. ASIC will continue work on its insurance in superannuation review but publication of any report is deferred until further notice. ASIC will continue to monitor compliance with RG 97 (changes to fees and costs disclosure) but will defer its review of RG 97 to align with the timing of the implementation of the revised fees and costs disclosure requirements (identified under Managed funds).
- Credit retail and banking payments:** ASIC is deferring its review of lender responses to consumers experiencing financial difficulty and will instead engage with stakeholders in relation to hardship requests resulting from the impact of COVID-19.
- Market infrastructure and supervision:** Onsite reviews of market intermediaries under enhanced supervision program and FICC program have been deferred and ASIC is instead undertaking desk-based reviews focussing on conduct and resilience in the COVID-19 environment. Onsite reviews of exchanges and wholesale trading platforms have also been deferred. ASIC will continue to assess feedback from other regulators, and responses to COVID-19 by market operators and participants to inform the settlement of ASIC's final policy position in relation to Consultation Paper 314 on new market integrity rules for technology and operational risk for market operators and participants, however it is deferring publication of the final report setting out ASIC's position on the market integrity rules. ASIC is also exploring options to reduce the 2020 accreditation burden for market intermediaries and their derivative advisers.
- Corporations:** ASIC has provided a 'no-action' position on upcoming AGMs that are deferred or held online. It has also granted temporary relief to allow 'low doc' placements, rights issues and share purchase plans (See [our earlier legal update](#))
- Financial Reporting and Audit:** ASIC is extending the deadline for unlisted entities to lodge financial reports by one month for balance dates from 31 December 2019 to 31 March 2020. (See [our earlier legal update](#)). ASIC is closely monitoring market conditions and COVID-19 developments that may affect financial reporting, talking to market participants and auditors, and considering possible impacts and responses in relation to listed entities. ASIC is continuing its Audit inspection program remotely through the use of technology and teleconferences. Onsite reviews of audit files are not being conducted until further notice.
- Business as usual:** ASIC is continuing normal operations in respect of a range of activities including Licensing and professional registrations and whistleblower reports. In relation to misconduct reporting, ASIC will pay particular attention to reports of scams, predatory practices, misleading conduct including in advertising and unlicensed behaviour.

ASIC also intends to provide further advice in due course on changes to its work implementing the recommendations of the Financial Services Royal Commission in light of changes to the Parliamentary timetable and future Government decisions on those measures.