



ASIC
Australian Securities &
Investments Commission

Financial distress and unlisted firms

ASIC – Strategic Intelligence

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Three key points

- ASIC's role and interest in the research project
- Critical findings from our perspective
- Future opportunities for collaboration

ASIC's role and interest in firm vulnerability



- ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator.
 - maintain, facilitate and improve the performance of the financial system and entities in it
 - promote confident and informed participation by investors and consumers in the financial system
- Responsible for ~96 regulated markets (dependent upon definition)
 - ...insolvency practitioners, the ASX, SMSF administrators, pet insurance, ...managed funds, platforms, trustees, wage advance, financial advice...
- With CoFR: identifying important issues and trends in the financial system, with a focus on those that may impinge upon overall financial stability

ASIC's 2022 Strategic Priorities



- Promoting economic recovery – including through better and more efficient regulation, facilitating innovation, and targeting regulatory and enforcement action to areas of greatest harm
- Reducing risk of harm to consumers exposed to poor product governance and design, and increased investment scam activity in a low-yield environment
- Supporting enhanced cyber resilience and cyber security among ASIC's regulated population, in line with the whole-of-government commitment to mitigating cyber security risks
- Driving industry readiness and compliance with standards set by law reform initiatives (including the Financial Accountability Regime, reforms in superannuation and insurance, breach reporting, and the design and distribution obligations).

Economics at ASIC (why this project)



- **Short term:**
 - Emergent events
 - Warning systems
- **Medium term:**
 - Environmental analyses
 - Trends local, systemic, sectoral and global
- **Long term:**
 - Competition, market structure
 - Internal capacity



Positive project outcomes

- Insolvency forecasts
- System heat map
- Demonstration of BLADE utility

Academic collaboration with ASIC

- Over 140 collaborations in the past few years
 - Whistleblowing, financial system benchmarking, consumer behaviour modelling, ESG advice, business model analysis, financial capability, forecasting, passive investing....
- Private finance | equity | credit
 - ASIC Chair of IOSCO CER Research Project
 - Scale, linkages, trends – global mandate, with national areas of focus
- Reach out!





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