



7 October 2022

Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: CSLR@treasury.gov.au

Dear Sir/Madam

Compensation Scheme of Last Resort Levy Regulations 2022

The Australian Financial Markets Association (AFMA) welcomes the opportunity to comment on the Compensation Scheme of Last Resort Levy Regulations 2022.

AFMA writes to request more clarity in the entity metric calculation for firms/persons in the securities dealer sub-sector. The relevant metric - the total value of securities - should logically be restricted to those trades relating to retail clients. This would align the metric more with the other sub-sector definitions including credit intermediaries sub-sector, and the licence personal advice sub-sector which are more clearly limited to retail.

As it currently stands, there may be at least a theoretical risk that predominantly wholesale firms that offer only a very small number of retail services each year will be assessed against their wholesale trading volume, unless they are members of an exchange. Not to limit risks an out of proportion contribution compared to the risk they pose to retail.

Australian Financial Markets Association

ABN 69 793 968 987

Level 25, Angel Place, 123 Pitt Street GPO Box 3655 Sydney NSW 2001

Tel: +612 9776 7900 Email: secretariat@afma.com.au

We trust this information is of assistance and we would be pleased to provide further elaboration if required.

Yours sincerely

A handwritten signature in black ink that reads "Damian Jeffree". The signature is written in a cursive style with a large, stylized 'D' and 'J'.

Damian Jeffree
Senior Director of Policy