



MEDIA RELEASE

AFMA welcomes prospect of more efficient cross border financial regulation **11 May 2021**

The Australian Financial Markets Association (AFMA) has welcomed the Government's announcement in the Budget that it will consult on options to restore the previous regulatory relief for Foreign Financial Service Providers (FFSPs) who are licensed and regulated in jurisdictions with comparable financial service rules and obligations, or have limited connection to Australia.

Australian businesses deal with financial entities located overseas to get diversification in investment and funding, and to access the most competitive markets, new business opportunities and better integrated services for firms with global operations.

AFMA's CEO, David Lynch, said: "Efficient cross-border financial services are integral to Australia's economy. The consultation announced in the Budget holds the prospect of better targeted and more efficient regulation. AFMA looks forward to working with the Government to promote this outcome.

"The Government's objective to reduce duplicate regulatory requirements aligns with global initiatives, including by the G20 and IOSCO, to promote effective deference and cooperation between regulators."

Under the new licensing regime introduced by ASIC, global financial service providers operating in the US, the UK, Japan and other jurisdictions faced a high cost to obtain and maintain a financial services licence in Australia, often to cover transactions that are incidental to their global business. Thus, there was concern that affected services would become more expensive or be reduced, and in some cases withdrawn from Australian wholesale and professional investors. The options to be explored by the Government should address this concern and counter the risk that Australia may be perceived to be a place that it is not easy to do business with.

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Notes for Editors:

The Australian Financial Markets Association (AFMA) is an industry association that promotes efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. AFMA member firms perform a range of important roles within these markets, including financial intermediation and market making.