



**ASIC**

Australian Securities & Investments Commission

**REPORT 570**

# **Indicative levies for ASIC industry funding: 2017–18**

March 2018

## **About this report**

ASIC industry funding commenced on 1 July 2017. This report sets out the indicative levies for industry funding for the 2017–18 financial year.

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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## A Introduction

### Key points

This report provides information about indicative levies for industry funding for the 2017–18 financial year. We will publish indicative levies each year.

The legislative framework for the levies is established by:

- the *ASIC Supervisory Cost Recovery Levy Act 2017*;
- the *ASIC Supervisory Cost Recovery Levy (Collection) Act 2017*;
- the ASIC Supervisory Cost Recovery Levy Regulations 2017 (Cost Recovery Levy Regulations); and
- ASIC legislative instruments made each year.

### Purpose of this report

- 1 In January 2019 ASIC will, for the first time, issue invoices under the ASIC industry funding model for the 2017–18 financial year. One of the design objectives of the industry funding model is that levies should, wherever possible, provide enough certainty for entities to incorporate the levies into commercial decisions: see Treasury, [\*Proposed industry funding model for the Australian Securities and Investments Commission: Proposals paper\*](#) (Treasury proposals paper), p. 9.
- 2 This report provides key information to assist industry to budget for the first invoices. It sets out our indicative levies for industry funding for the 2017–18 financial year for each subsector. Under the Cost Recovery Levy Regulations, each of the sectors we regulate are broken down into subsectors or groups of entities who share similar regulatory oversight. For example, within the deposit taking and credit sector, credit providers are grouped together into a subsector.
- 3 The actual levies in the January 2019 invoices will be calculated after the business activity has occurred and we have finalised our regulatory costs (i.e. ‘ex-post’). The actual levies will be based on our actual cost of regulating each subsector in 2017–18 and the actual business activity metrics reported in the annual returns provided to ASIC in July to September 2018 (using the new ASIC Regulatory Portal). This will ensure that each industry subsector is only charged for the actual costs of regulating that subsector. The business activity metric is a readily available metric of business activity that closely aligns to the expected level of regulatory oversight required, including the level of anticipated consumer or investor exposure to risk.

- 4 Given the ex-post nature of the industry funding model, the indicative levies in this report are a guide only. They are based on our budgeted allocation of costs for each subsector for the 2017–18 financial year and estimates of the population and business activity metrics for each subsector. For some subsectors, information about business activity metrics is not available at the date of this report: see paragraphs 31–33.

## Policy basis for the levies

- 5 On 20 April 2016, the Australian Government announced it would introduce an industry funding model for ASIC. This was in response to the recommendation of the Financial System Inquiry (FSI) that the Government recover the cost of ASIC’s regulatory activities directly from industry participants through fees and levies calibrated to reflect the cost of regulating the different industry sectors that we regulate.

Note: See FSI, [Financial System Inquiry: Final report](#), December 2014, recommendation 29.

- 6 The FSI identified that the Government recovered only a small portion of ASIC’s costs directly from industry participants, through the Financial Institutions Supervisory Levies, application fees and the Market Supervision Cost Recovery Regime. The FSI noted that, as a result, ASIC costs were not transparent to industry and ASIC was also exposed to an increased risk of funding cuts unrelated to changes in the cost of delivering on our mandate. It also noted that the Senate Economics References Committee’s report, [Performance of the Australian Securities and Investments Commission](#) (published in June 2014), highlighted that resource constraints affect ASIC’s capacity to conduct surveillance across regulated entities.

- 7 The industry funding model for ASIC will:
- (a) ensure that the costs of the regulatory activities undertaken by ASIC are borne by those creating the need for regulation, rather than Australian taxpayers;
  - (b) establish price signals in the way resources are allocated within ASIC;
  - (c) provide economic incentives to drive the Government’s desired regulatory outcomes for the financial system;
  - (d) provide greater stability and certainty in ASIC’s funding and ensure that ASIC is adequately resourced to carry out our regulatory mandate; and
  - (e) improve our cost transparency and accountability to industry.

## Legislative basis for the levies

- 8 The legislative framework for the levies is established by a number of Acts, regulations and legislative instruments:
- (a) the *ASIC Supervisory Cost Recovery Levy Act 2017*, which imposes a levy on persons we regulate to recover our regulatory costs;
  - (b) the *ASIC Supervisory Cost Recovery Levy (Collection) Act 2017*, which empowers ASIC to collect the levy and requires entities to submit annual returns so that we can calculate the levy; and
  - (c) the Cost Recovery Levy Regulations, which set out the criteria for determining the subsectors an entity is a part of and the metrics to be used for calculating the levy payable by entities in each subsector. They also require ASIC to make an annual legislative instrument setting out, for each subsector, our regulatory costs and the total amount of activity (the subsector metric) for the financial year.
- 9 The Australian Government has undertaken extensive consultation to develop and refine the industry funding model. Treasury consulted on the development of the industry funding model in August 2015 ([Proposed industry funding model for the Australian Securities and Investments Commission: Consultation paper](#)) and again in November 2016 ([Treasury proposals paper](#)). [Exposure draft legislation](#) was released for public consultation in 2017. Treasury also conducted roundtable meetings with various stakeholder groups.

## B ASIC industry funding model

### Key points

The industry funding model will recover the actual costs we expend each financial year to undertake our regulatory activities for each subsector.

Once we have allocated our regulatory costs between subsectors, the Cost Recovery Levy Regulations set out how we will allocate our regulatory costs between regulated entities in a subsector.

### Calculating levies under the industry funding model

- 10 There are two steps in the cost allocation process to calculate the levy payable by each entity in a subsector:
- (a) allocate ASIC’s regulatory costs to each subsector; and
  - (b) allocate subsector costs to individual entities.

#### Step 1: Allocate ASIC’s regulatory costs to subsectors

- 11 The industry funding model allocates regulatory costs to each subsector based on ASIC’s actual reported regulatory effort for each subsector in the previous year. Levies will be calculated after we finalise our regulatory costs for the financial year.

#### Step 2: Allocate subsector costs to individual entities

- 12 Once our regulatory costs are allocated to each subsector, the levy payable by an individual entity is worked out using the basic or graduated formula in the Cost Recovery Levy Regulations. An individual entity’s levy for a financial year is equal to its share of basic and graduated levies for each subsector it is a part of in the financial year.

#### Basic levies

- 13 The basic levy formula apportions our regulatory costs for a subsector between entities based on each entity’s share of actual reported business activity (the business activity metric) within the subsector. The business activity metric used to calculate the levy for each subsector is a readily available metric of business activity—such as revenue generated or the number of days in the financial year that the entity held the relevant

Australian financial services (AFS) licence—that closely aligns to the expected level of oversight required.

- 14 The basic formula will apportion our regulatory costs equally between entities in the same subsector where there is no relevant business activity metric. We refer to this as a flat levy.

### **Graduated levies**

- 15 Under the graduated levy formula, all entities in a subsector must pay:
- (a) a minimum levy; and
  - (b) an additional graduated component, based on each entity’s share of relevant activity within the subsector.
- 16 The graduated component is calculated by first reducing the total costs for the subsector by the amount to be recovered under the minimum levy and then apportioning the remainder of our costs between entities based on each entity’s share of total business activity within the subsector.
- 17 In some subsectors, the graduated component only applies beyond a prescribed threshold. In these cases, our remaining regulatory costs will be apportioned between entities based on each entity’s share of total business activity within the subsector above the prescribed threshold.
- 18 The summary tables of indicative levies in the appendix explain how the formula operates in relation to each subsector: see Table 2–Table 8.

### **Annual return**

- 19 Between July and September each year, regulated entities will be required to provide ASIC with their business activity metrics for the previous financial year via the new ASIC Regulatory Portal. We will collect this data for the first time in July to September 2018. This information will enable us to calculate each entity’s share of the 2017–18 regulatory costs using the basic and graduated levies. Where possible, we will pre-populate the business activity metrics in the annual return, to be checked by the regulated entity.

## C Indicative levies for 2017–18

### Key points

Our forecast for our 2017–18 regulatory costs is \$237.6 million. The appendix sets out how we have allocated these forecast costs between each subsector and the indicative levies for each subsector.

The indicative levies are estimates. Actual levies will differ with changes in costs, population and business activity metrics.

We are unable to calculate indicative levies for some subsectors in 2017–18 because we do not currently collect business activity metrics in the annual return. We will have access to this information after September 2018.

In December each year, when we have collected information from entities via their annual returns, we will issue a legislative instrument setting out our regulatory costs for the financial year across subsectors and how these costs will be allocated between entities in each subsector.

## How we calculated the indicative levies for 2017–18

### Step 1: Allocate ASIC’s regulatory costs to subsectors

- 20 ASIC’s regulatory costs will continue to be funded through direct appropriation from the Commonwealth Budget. In 2017–18, \$237.6 million of ASIC’s total budgeted resources of \$387.7 million will be recovered via ASIC’s cost recovery levies and statutory industry levies. The indicative levies in this report show how we will recover our regulatory costs of \$237.6 million.
- 21 The appendix includes our budgeted cost recovery amount for each subsector. The budgeted cost recovery amounts are calculated by apportioning our total regulatory costs of \$237.6 million between subsectors, based on our forecast of the work we will undertake for each subsector in 2017–18. These costs are a guide only—the final levies will be based on our actual cost of regulating each subsector in 2017–18.
- 22 We released our [Cost Recovery Implementation Statement: Levies for ASIC industry funding \(2017–18\)](#) (draft CRIS) for industry consultation on 6 October 2017. The post-consultation CRIS is subject to certification and will be published shortly, when it is finalised. Please refer to the draft CRIS for detailed information about ASIC’s regulatory costs and how they will be recovered from each subsector in 2017–18. The draft CRIS includes our forecast of the work we will undertake for each subsector, what it will cost to carry out that work and the corresponding impact on levies.

- 23 Since the release of the draft CRIS we have updated the budgeted cost recovery amounts in the appendix to include the recovery of court awarded costs for the large futures exchange participants subsector and the over-the-counter (OTC) traders subsector. This adjustment to the 2017–18 indicative levies is limited to the amount of costs included in the 2017–18 budget.
- 24 On 10 November 2017, the Federal Court made declarations that Australia and New Zealand Banking Group (ANZ) and National Australia Bank (NAB) had attempted to engage in unconscionable conduct in connection with the supply of financial services in relation to each bank’s bank bill trading business and their participation in the setting of the Bank Bill Swap Rate. The Federal Court ordered that ANZ and NAB pay ASIC’s costs of and incidental to the proceedings. This was unknown at the time of calculating cost recoveries for the draft CRIS, and has now been included in the cost recovery budget for the indicative levies.
- 25 We have also updated the regulatory costs allocated to the registered liquidators subsector to include an offset for revenue generated from registered liquidators posting notices on the [Published Notices Website](#). The offset to regulatory costs is a forecast of revenue, based on the revenue collected from the Published Notices Website for the year-to-date at 31 January 2018.
- 26 No further changes have been made to the budgeted cost recovery amounts in the draft CRIS when calculating the indicative levies, as we have no additional information to provide a more accurate estimate at this time.

## **Step 2: Allocate subsector costs to individual entities**

- 27 Under the basic and graduated levy formulas we use data sources unique to each subsector to apportion the total subsector costs between entities.
- 28 Some of this data is not held by ASIC and the regulated entity must collect and submit the information in their annual return (e.g. auditors of disclosing entities, responsible entities and credit providers).
- 29 For other subsectors we will use ASIC databases as the source for calculating the levies (e.g. ASIC’s financial advisers register and ASIC’s companies register).
- 30 See the appendix for the data sources used to calculate the indicative levies in this report and the data sources we will use to calculate the actual levies for 2017–18.

## Indicative levies we are unable to calculate

31 We have calculated indicative levies in this report for the 36 subsectors for which we can access the business activity metric used to estimate the allocation of costs between entities in the subsector. We are unable to calculate indicative levies for the 12 subsectors listed in Table 1 because we do not currently collect the relevant information.

**Table 1: Indicative levies we are unable to calculate for 2017–18**

| Subsector   | Business activity metric   |
|---|--|
| Auditors of disclosing entities   | Audit fee revenue from the audit of financial reports that relate to a disclosing entity with quoted securities and their subsidiaries.  |
| Credit providers  | Credit provided under credit contracts within the meaning of the <i>National Consumer Credit Protection Act 2009</i> (National Credit Act) (other than small amount credit contracts). |
| Small amount credit providers   | Credit provided under small amount credit contracts.   |
| Deposit product providers   | The total value of deposits held at the end of the financial year in deposit products issued.  |
| Superannuation trustees   | The total adjusted value of assets in all registrable superannuation entities operated by the entity at the end of the financial year.   |
| Responsible entities  | The total adjusted value of assets in all registered schemes operated by the entity at the end of financial year.  |
| Investor directed portfolio service (IDPS) operators                                    | Revenue from IDPS activity in the financial year.  |
| Corporate advisers  | The total revenue from corporate advisory activity in the financial year.  |
| OTC traders   | The total full-time equivalent (FTE) staff engaged in OTC trading activity at any time in the financial year.  |
| Wholesale electricity dealers   | Flat levy, but entities will need to confirm they are undertaking these activities.  |
| Licensees that provide personal advice to retail clients on relevant financial products | The adjusted number of advisers on the financial advisers register.  |
| Insurance product providers   | Gross amount of premiums written and net policy revenue.   |

32 These subsectors account for approximately 17% of the estimated 47,000 regulated entities (excluding small proprietary companies) and approximately 47% of our total regulatory costs.

- 33 After September 2018 we will be able to access information about these business activity metrics in the annual returns lodged with ASIC. We will use this information to calculate the indicative levies for the following financial year, which we will publish before the start of that financial year. For example, we will use the business activity metrics in the annual returns lodged with ASIC in July to September 2018 to calculate the actual levies for the 2017–18 year as well as the indicative levies for the 2019–20 year.

## Key assumptions

- 34 The indicative levies in this report are estimates based on our expected regulatory activity in each subsector in 2017–18, the number of entities in each subsector and, where applicable, the estimated total business activity metrics for the subsector. See the appendix for detailed information about how the indicative levies have been estimated based on the budgeted costs in the [draft CRIS](#) and other assumptions about subsector population and business activity metrics.
- 35 The actual levies charged in January 2019 may vary with changes in the underlying assumptions. The actual levies will be based on the actual regulatory costs for each subsector for the 2017–18 financial year and the actual population and business activity metrics for 2017–18 collected from ASIC’s databases and in the annual returns provided to ASIC.

## Actual levies

- 36 We expect the actual levies will change from the indicative levies in this report. The indicative levies are based on budgeted amounts representing our best estimate of actual levies. ASIC’s stakeholder teams will update the proportion of their costs allocated to the industry subsectors they support during the year. We cannot prevent change in the regulatory and market landscape between the time the indicative levy is calculated and the end of the financial year. However, we will provide as much certainty as soon as possible about actual levies to allow entities to incorporate the levies into their commercial decisions.
- 37 The following tools will increase the transparency around the calculation of the actual levy:
- (a) *Indicative levies*—In future years, commencing in the 2019–20 financial year, we will provide indicative levies for all subsectors because, where required, we can calculate business activity metrics based on information lodged in the annual returns in the previous year.

- (b) *Annual dashboard report*—The annual dashboard report is a new requirement introduced under amendments to the *Australian Securities and Investments Commission Act 2001*. In November each year we will publish on our website an annual dashboard report which must include information about our actual regulatory costs for the previous financial year and how we have apportioned those actual regulatory costs across each subsector.
- (c) *Legislative instrument*—In December each year, after we have collected information in the annual return, we will make a legislative instrument that sets out the information entities need to calculate their industry levy including the total business activity metric and regulatory costs for each subsector.

## Changes to the indicative levies since 2016

- 38 The [Treasury proposals paper](#) was released in November 2016, with a supporting attachment setting out our forecast for the 2016–17 levies for each subsector. There are a number of changes to the indicative levies in this report since the Treasury proposals paper.
- 39 Levies will change from year to year and this should be expected. ASIC’s business plans, base budget and enforcement activities will all have an impact. For example, the budgeted costs in the Treasury proposals paper did not include funding received to implement and maintain several new budget measures including collective investment vehicles, Asia Region Funds Passport, crowd-sourced funding, improving external dispute resolution and financial capability.
- 40 Please refer to the [draft CRIS](#) for more detail about these changes. We do not anticipate any significant changes to the allocation of regulatory costs when the final CRIS is published.

## Indicative levies for each subsector

- 41 A summary of the indicative levies for each subsector is set out in Table 2–Table 8 in the appendix. The tables set out our forecast regulatory costs and indicative levies for each subsector. The tables also explain the levy metric used to apportion our regulatory costs between entities in each subsector and the data source for calculating the indicative levies and final levies.
- 42 The Cost Recovery Levy Regulations allow entities in some subsectors to pay their levy on a pro-rata basis. Under the standard pro-rata formula, the levy amount an entity will pay is based on the number of days in the financial year the entity was part of the relevant subsector or held the

relevant licence. In some subsectors in Table 2–Table 8 we have included a full-year equivalent (FYE) number of entities in the subsector, to reflect the pro-rata of the levy. For example, if there are two entities in a subsector and one was part of the subsector for only half the year, the FYE number will be 1.5 entities.

## Appendix: Indicative levies summary tables

Table 2: Indicative levies for the corporate sector

| Subsector                 | Budgeted cost recovery amount | Number of entities | Levy metric and description   | Minimum levy | Graduated levy threshold   | Data source to calculate actual levy     | Data source to calculate indicative levy  | Indicative levy  |
|---------------------------|-------------------------------|--------------------|---|--------------|--|--|---|--|
| Listed corporations       | \$33.959m                     | 2,137              | <p><b>Market capitalisation</b></p> <p>An entity <i>listed</i> at the end of the financial year must multiply:</p> <ul style="list-style-type: none"> <li>the price for the entity's main class of securities at the time market closes on the last trading day of the financial year; and</li> <li>the number of securities in that class at that relevant time.</li> </ul> <p>An entity <i>unlisted</i> at end of financial year (but listed in the financial year) must multiply:</p> <ul style="list-style-type: none"> <li>the last price for the entity's main class of securities on the last day the entity was listed; and</li> <li>the number of securities in that class at that relevant time.</li> </ul> | \$4,000      | <p>\$5 million market capitalisation (minimum levy threshold)</p> <p>\$20 billion market capitalisation (maximum levy threshold)</p> | New reporting requirement —annual return | <p>Population: Official list of ASX, NSX and SSX for 2016–17</p> <p>Metric: ASIC's real-time surveillance system records as at 30 June 2017 (or immediately before delisting)</p> | Minimum levy, plus an estimated \$0.19 per \$10,000 of market capitalisation above \$5m. The maximum levy is estimated to be \$396,000 for entities with a market capitalisation greater than \$20bn |
| Unlisted public companies | \$7.440m                      | 23,175             | Flat levy   | N/A          | N/A  | ASIC companies register                  | ASIC register for 2016–17   | \$321  |

| Subsector                       | Budgeted cost recovery amount | Number of entities         | Levy metric and description   | Minimum levy | Graduated levy threshold | Data source to calculate actual levy    | Data source to calculate indicative levy   | Indicative levy   |
|---------------------------------|-------------------------------|----------------------------|---|--------------|--------------------------|---|--|---|
| Large proprietary companies     | \$7.573m                      | 8,724                      | <p>Flat levy</p> <p>Note 1: To ensure large proprietary companies are not overcharged, the actual levy will be reduced by the increase in the annual review fee for proprietary companies.</p> <p>Note 2: The number of entities in this subsector is an estimate only and may materially change when we collect actual data in the annual return.</p>          | N/A          | N/A                      | ASIC companies register                 | ASIC register as at 30 June 2017<br>(Companies who lodged a <a href="#">Form 388 Copy of financial statements and reports</a> during the year ending 30 June 2017) | \$868   |
| Small proprietary companies     | \$7.548m                      | 2,409,919                  | Levy charged via an increase in the annual review fee for proprietary companies   | N/A          | N/A                      | ASIC companies register                 | ASIC register as at 30 June 2017   | \$4 increase in the annual review fee for proprietary companies |
| Auditors of disclosing entities | \$5.003m                      | To be reported by industry | <p><b>Audit fee revenue</b></p> <p>The total of the fees paid or payable to the entity in the financial year for the auditing and review of financial reports that relate to:</p> <ul style="list-style-type: none"> <li>a disclosing entity with quoted securities; or</li> <li>an entity controlled by a disclosing entity with quoted securities.</li> </ul> | None         | No threshold             | New reporting requirement—annual return | Data source not available  | Data not available to estimate indicative levy                  |
| Registered company auditors     | \$1.013m                      | 4,573                      | Flat levy   | N/A          | N/A                      | ASIC auditors register                  | ASIC register for 2016–17  | \$222   |

| Subsector              | Budgeted cost recovery amount | Number of entities | Levy metric and description   | Minimum levy | Graduated levy threshold | Data source to calculate actual levy     | Data source to calculate indicative levy  | Indicative levy  |
|------------------------|-------------------------------|--------------------|---|--------------|--------------------------|--|---|--|
| Registered liquidators | \$10.121m                     | 748                | <p><b>Number of external administration appointments and notifiable events</b></p> <p>The sum of:</p> <ul style="list-style-type: none"> <li>the number of specified appointments under Ch 5 of the <i>Corporations Act 2001</i> (Corporations Act) accepted by the entity that financial year and in an earlier financial year if the entity is still acting at the start of the financial year for which the levy is to be calculated (see reg 20(3)(a)–(b));</li> <li>the number of specified notifiable events entered on the <a href="#">Published Notices Website</a> by the entity (see reg 20(3)(c)); and</li> <li>the number of documents lodged with ASIC by the entity for: <ul style="list-style-type: none"> <li>a notice of the outcome of a proposal to pass a resolution without a meeting; and</li> <li>an executed deed of company arrangement (see reg 20(3)(d)).</li> </ul> </li> </ul> <p>Note 1: The budgeted cost recovery amount includes an offset for revenue generated from registered liquidators posting notices on the Published Notices Website.</p> <p>Note 2: In the case of two or more joint and several appointees, each appointee must include the appointment in the calculation of their entity metric but only the registered liquidator who lodges a prescribed document will include the lodgement in the calculation of their entity metric.</p> | \$2,500      | No threshold             | New reporting requirement —annual return | Population: ASIC register for 31 January 2018 to year to date<br><br>Metric: ASIC register and Published Notices Website lodgements for the 31 January 2018 year to date (data has been annualised) | Minimum levy plus \$125 per appointment and notifiable event |

**Table 3: Indicative levies for the deposit taking and credit sector**

| Subsectors                    | Budgeted cost recovery amount | Number of entities                                | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy     | Data source to calculate indicative levy   | Indicative levy                                   |
|-------------------------------|-------------------------------|---|--|--------------|--------------------------|--|--|---|
| Credit providers              | \$17.861m                     | 1,186 (includes small amount credit providers)    | <b>Credit provided in the financial year</b><br>The gross amount of credit provided by the entity in the financial year under credit contracts (other than small amount credit contracts).                                       | \$2,000      | \$100 million            | New reporting requirement —annual return | Data source not available  | Data not available to estimate indicative levy    |
| Small amount credit providers | \$1.485m                      | See 'Credit providers' row                        | <b>Credit provided in the financial year</b><br>The gross amount of credit provided under small amount credit contracts.   | N/A          | No threshold             | New reporting requirement —annual return | Data source not available  | Data not available to estimate indicative levy    |
| Credit intermediaries         | \$9.008m                      | 5,242 entities with 36,710 credit representatives | <b>Authorised representatives</b><br>The number of credit representatives (within the meaning of the National Credit Act) that the entity has at the end of the financial year.  | \$1,000      | No threshold             | New reporting requirement —annual return | Population: ASIC register for 2016–17<br>Metric: ASIC register of credit intermediaries' authorised representatives as at 30 June 2017 | Minimum levy plus \$104 per credit representative |
| Deposit product providers     | \$1.911m                      | 259   | <b>Total deposits</b><br>The total value of deposits held at the end of the financial year in deposit products issued by the entity (whether the deposit product was issued in the financial year or an earlier financial year). | \$2,000      | \$10 million             | New reporting requirement —annual return | Data source not available  | Data not available to estimate indicative levy    |

| Subsectors                | Budgeted cost recovery amount | Number of entities | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy | Indicative levy |
|---------------------------|-------------------------------|--------------------|--|--------------|--------------------------|--------------------------------------|--|-----------------|
| Payment product providers | \$1.485m                      | 648 (630.7 FYE)    | Flat levy<br>Note: From 2018–19 the levy will be graduated, based on revenue from payment product provider activity. | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$2,354         |
| Margin lenders            | \$0.297m                      | 22 (20.8 FYE)      | Flat levy  | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$14,278        |

**Table 4: Indicative levies for the investment management, superannuation and related services sector**

| Subsectors              | Budgeted cost recovery amount | Number of entities | Levy metric and description   | Minimum levy | Graduated levy threshold | Date source to calculate actual levy    | Data source to calculate indicative levy | Indicative levy                                |
|-------------------------|-------------------------------|--------------------|---|--------------|--------------------------|---|--|--|
| Superannuation trustees | \$7.197m                      | 144                | <b>Adjusted total assets</b><br>The total value of assets in all registrable superannuation entities operated by the entity at the end of financial year, except any assets that are an interest in another registrable superannuation entity operated by the entity.<br><br>Note: The total value of assets in a registrable superannuation entity for a financial year is the total assets as shown in the financial statements lodged with ASIC under the Corporations Act. In cases where there are no financial statements lodged with ASIC, the total value of assets can be ascertained from the balance sheet of the registrable superannuation entity, prepared as general purpose financial statements for the financial year in accordance with the relevant accounting standards. | \$18,000     | \$250 million            | New reporting requirement—annual return | Data source not available                | Data not available to estimate indicative levy |

| Subsectors           | Budgeted cost recovery amount | Number of entities  | Levy metric and description   | Minimum levy | Graduated levy threshold | Date source to calculate actual levy           | Data source to calculate indicative levy | Indicative levy                                |
|----------------------|-------------------------------|---------------------|---|--------------|--------------------------|--|--|--|
| Responsible entities | \$22.677m                     | 493                 | <p><b>Adjusted total assets</b></p> <p>The total value of assets in all registered schemes operated by the entity at the end of financial year, except any assets that are an interest in another registered scheme operated by the entity.</p> <p>Note: The total value of assets in a registered scheme for a financial year is the total assets as shown in the financial statements lodged with ASIC under the Corporations Act. In cases where there are no financial statements lodged with ASIC, the total value of assets can be ascertained from the balance sheet of the registered scheme, prepared as general purpose financial statements for the financial year in accordance with the relevant accounting standards.</p> | \$7,000      | \$10 million             | Amended reporting requirement (digital format) | Data source not available                | Data not available to estimate indicative levy |
| Wholesale trustees   | \$6.603m                      | 1,607 (1,535.6 FYE) | <p>Flat levy</p> <p>Note 1: From 1 July 2018, a graduated levy will apply for wholesale trustees.</p> <p>Note 2: The levy will be graduated based on the total value of assets at the end of financial year in all unregistered schemes in which the entity issues interests, except any assets that are an interest in another unregistered scheme issued by the entity.</p>   | N/A          | N/A                      | ASIC database                                  | ASIC register for 2016–17                | \$4,300  |
| Custodians           | \$0.423m                      | 973                 | Flat levy   | N/A          | N/A                      | ASIC database                                  | ASIC register for 2016–17                | \$435  |

| Subsectors                                    | Budgeted cost recovery amount | Number of entities | Levy metric and description  | Minimum levy | Graduated levy threshold | Date source to calculate actual levy | Data source to calculate indicative levy | Indicative levy                                |
|---|-------------------------------|--------------------|--|--------------|--------------------------|--------------------------------------|--|--|
| IDPS operators                                | \$1.603m                      | 96                 | <p><b>Revenue from IDPS activity</b></p> <p>The levy metric will be the sum of:</p> <ul style="list-style-type: none"> <li>• the amount of gross revenue received from IDPS activities undertaken under the entity's licence in the financial year; and</li> <li>• unless covered under the previous point, any amount paid or payable in the financial year from the IDPS for the performance of obligations imposed on the IDPS operator (even if those obligations are performed by another entity).</li> </ul> | \$10,000     | No threshold             | ASIC database                        | Data source not available                | Data not available to estimate indicative levy |
| MDA providers                                 | \$0.258m                      | 198 (191.4 FYE)    | Flat levy  | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$1,346  |
| Traditional trustee company service providers | \$0.347m                      | 13 (12.4 FYE)      | Flat levy  | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$27,995                                       |

**Table 5: Indicative levies for the market infrastructure sector**

| Subsectors                          | Budget cost recovery amount | Number of entities | Levy metric and description   | Minimum levy    | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy  | Indicative levy                       |
|-------------------------------------|-----------------------------|--------------------|---|-----------------|--------------------------|--------------------------------------|---|---------------------------------------|
| Large securities exchange operators | \$3.757m                    | 2                  | <p><b>Value of transactions</b></p> <p>The total value of all transactions that:</p> <ul style="list-style-type: none"> <li>are entered into on, or reported to, the large securities exchange(s) operated by the entity in the financial year;</li> <li>are within the operating rules of the exchange(s); and</li> <li>are not invalid or cancelled.</li> </ul> | No minimum levy | No threshold             | ASIC's real-time surveillance system | <p>Population: ASIC register for 31 January 2018 to year to date</p> <p>Metric: Forecast based on ASIC's real-time surveillance system records of transaction values for 31 January 2018 to year to date.</p> | \$2.43 per \$1m of transaction values |
| Large futures exchange operators    | \$1.431m                    | 1                  | <p><b>Number of exchanges</b></p> <p>The number of days in the financial year on which the entity operated their exchange(s), multiplied by the number of exchanges the entity operates.</p>  | N/A             | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date   | \$1.431m                              |
| Small futures exchange operators    | \$0.250m                    | 1                  | <p><b>Number of exchanges</b></p> <p>The number of days in the financial year on which the entity operated their exchange(s), multiplied by the number of exchanges the entity operates.</p>  | N/A             | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date   | \$0.250m                              |

| Subsectors  | Budget cost recovery amount | Number of entities                                 | Levy metric and description   | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy          | Indicative levy |
|---|-----------------------------|--|---|--------------|--------------------------|--------------------------------------|---|-----------------|
| Small securities exchange operators with self-listing function only | \$0.023m                    | 1  | <b>Number of exchanges</b><br>The number of days in the financial year on which the entity operated their exchange(s), multiplied by the number of exchanges the entity operates.     | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$23,236        |
| Small securities exchange operators                                 | \$0.629m                    | 2  | <b>Number of exchanges</b><br>The number of days in the financial year on which the entity operated their exchange(s), multiplied by the number of exchanges the entity operates.     | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$0.314m        |
| Small derivatives market operators                                  | \$0.475m                    | 4 entities operating 11 markets (10.1 FYE markets) | <b>Number of markets</b><br>The number of days in the financial year on which the entity operated their market(s), multiplied by the number of markets the entity operates.           | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$46,785        |
| Overseas market operators   | \$0.538m                    | 10 (8.2 FYE)                                       | <b>Number of markets</b><br>The number of days in the financial year on which the entity operated their market(s), multiplied by the number of markets the entity operates.           | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$65,502        |
| Exempt CS facility operators  | \$0.024m                    | 1  | <b>Number of facilities</b><br>The number of days in the financial year on which the entity operated their facility(ies), multiplied by the number of facilities the entity operates. | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$24,233        |

| Subsectors                                       | Budget cost recovery amount | Number of entities | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy          | Indicative levy |
|--|-----------------------------|--------------------|--|--------------|--------------------------|--------------------------------------|---|-----------------|
| Tier 1 CS facility operators                     | \$1.742m                    | 4                  | <p><b>Number of facilities</b></p> <p>The number of days in the financial year on which the entity operated their facility(ies), multiplied by the number of facilities the entity operates.</p>                   | N/A          | N/A                      | ASIC databases                       | ASIC register for 31 January 2018 to year to date | \$0.436m        |
| Tier 2 CS facility operators                     | \$0.200m                    | 1                  | <p><b>Number of facilities</b></p> <p>The number of days in the financial year on which the entity operated their facility(ies), multiplied by the number of facilities the entity operates.</p>                   | N/A          | N/A                      | ASIC databases                       | ASIC register for 31 January 2018 to year to date | \$0.200m        |
| Tier 3 CS facility operators                     | \$0.080m                    | 1                  | <p><b>Number of facilities</b></p> <p>The number of days in the financial year on which the entity operated their facility(ies), multiplied by the number of facilities the entity operates.</p>                   | N/A          | N/A                      | ASIC databases                       | ASIC register for 31 January 2018 to year to date | \$79,896        |
| Tier 4 CS facility operators                     | \$0.023m                    | 1                  | <p><b>Number of facilities</b></p> <p>The number of days in the financial year on which the entity operated their facility(ies), multiplied by the number of facilities the entity operates.</p>                   | N/A          | N/A                      | ASIC databases                       | ASIC register for 31 January 2018 to year to date | \$22,591        |
| Australian derivative trade repository operators | \$0.241m                    | 2                  | <p><b>Number of trade repositories</b></p> <p>The number of days in the financial year on which the entity operated their trade repository(ies), multiplied by the number of repositories the entity operates.</p> | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$0.120m        |

| Subsectors              | Budget cost recovery amount | Number of entities                                  | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy          | Indicative levy |
|-------------------------|-----------------------------|---|--|--------------|--------------------------|--------------------------------------|---|-----------------|
| Exempt market operators | \$1.234m                    | 32 entities operating 34 markets (24.1 FYE markets) | <p><b>Number of markets</b></p> <p>The number of days in the financial year on which the entity operated their market(s), multiplied by the number of markets the entity operates.</p> | N/A          | N/A                      | ASIC database                        | ASIC register for 31 January 2018 to year to date | \$51,242        |
| Credit rating agencies  | \$0.239m                    | 7   | <p><b>Number of days authorised</b></p> <p>The number of days in the financial year on which the entity holds the prescribed AFS licence authorisation.</p>                            | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                         | \$34,145        |

**Table 6: Indicative levies for market intermediaries sector**

| Subsectors                             | Budgeted cost recovery amount | Number of entities | Levy metric and description   | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy   | Indicative levy   |
|--|-------------------------------|--------------------|---|--------------|--------------------------|--------------------------------------|--|---|
| Large securities exchange participants | \$19.039m                     | 71                 | <p><b>Relative volume of transactions and messages on large securities exchanges</b></p> <p>The number of messages that:</p> <ul style="list-style-type: none"> <li>• are sent by the participant in the financial year to a large securities exchange;</li> <li>• are reported by the large securities exchange operator to our MAI system; and</li> <li>• are recognised by our MAI system as orders or executed transactions.</li> </ul> <p>The number of transactions that:</p> <ul style="list-style-type: none"> <li>• are executed on, or reported to, a large securities exchange by the participant in a financial year;</li> <li>• are reported by the large securities exchange operator to our MAI system; and</li> <li>• are recognised by our MAI system as executed transactions.</li> </ul> | \$9,000      | No threshold             | ASIC's real-time surveillance system | <p>Population: ASIC register for 2016–17</p> <p>Metric: ASIC's real-time surveillance system record of transactions and messages on ASX and Chi-X, for 2016–17</p> | Minimum levy, plus \$0.018 per transaction and \$0.0018 per message |

| Subsectors                          | Budgeted cost recovery amount | Number of entities  | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy   | Indicative levy  |
|-------------------------------------|-------------------------------|---------------------|--|--------------|--------------------------|--------------------------------------|--|--|
| Large futures exchange participants | \$3.929m                      | 38                  | <p><b>Relative volume of transactions and messages on large futures exchanges</b></p> <p>The number of messages that:</p> <ul style="list-style-type: none"> <li>• are sent by the entity in the financial year to a large futures exchange;</li> <li>• are reported by the operator of a large futures exchange to our MAI system; and</li> <li>• are recognised by our MAI system as orders or executed transactions.</li> </ul> <p>The number of transactions that:</p> <ul style="list-style-type: none"> <li>• are executed on, or reported to, a large futures exchange by the entity in a financial year;</li> <li>• are reported by the operator of a large futures exchange to our MAI system; and</li> <li>• are recognised by our MAI system as executed transactions.</li> </ul> | \$9,000      | No threshold             | ASIC's real-time surveillance system | <p>Population: ASIC register for 2016–17</p> <p>Metric: ASIC's real-time surveillance system record of transactions and messages on ASX 24 for 2016–17</p> | Minimum levy, plus \$0.11 per transaction and \$0.006 per message      |
| Securities dealers                  | \$1.627m                      | 751 (estimate only) | <p><b>Annual transaction turnover value</b></p> <p>The total value of transactions in securities (as measured by the buy price plus sale price of securities) that:</p> <ul style="list-style-type: none"> <li>• are executed on, or reported to, a large securities exchange in the financial year;</li> <li>• are reported by the large securities exchange operator to our MAI system; and</li> <li>• are recognised by our MAI system as executed transactions.</li> </ul>   | \$1,000      | No threshold             | ASIC's real-time surveillance system | <p>Population: ASIC register for 2016–17</p> <p>Metric: ASIC's real-time surveillance system records of turnover on ASX and Chi-X for 2016–17</p>          | Minimum levy, plus \$0.14 per \$10,000 of annual transactions turnover |

| Subsectors         | Budgeted cost recovery amount | Number of entities         | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy     | Data source to calculate indicative levy | Indicative levy                                |
|--------------------|-------------------------------|----------------------------|--|--------------|--------------------------|--|--|--|
| Corporate advisers | \$5.568m                      | To be reported by industry | <p><b>Revenue from corporate advisory activity</b></p> <p>The total gross revenue made in the financial year by the corporate adviser, and the authorised representatives of the adviser, from:</p> <ul style="list-style-type: none"> <li>• providing financial product advice in Australia to a wholesale client in the course of advising on: <ul style="list-style-type: none"> <li>– takeover bids and/or mergers;</li> <li>– structure pricing and acquisition or disposal of assets or enterprises;</li> <li>– raising or reducing capital through the issue or acquisition of equities or debt; and</li> </ul> </li> <li>• dealing in a financial product in Australia by underwriting the issue, acquisition or sale of the product.</li> </ul> | \$1,000      | \$100,000                | New reporting requirement —annual return | Data source not available                | Data not available to estimate indicative levy |

| Subsectors                    | Budgeted cost recovery amount | Number of entities              | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy     | Data source to calculate indicative levy | Indicative levy                                |
|-------------------------------|-------------------------------|---------------------------------|--|--------------|--------------------------|--|--|--|
| OTC traders                   | \$6.055m                      | To be reported by industry      | <p><b>FTE staff engaged in OTC trading activity</b></p> <p>The number of persons who ordinarily act on behalf of the OTC trader or their authorised representative and have, at any time in the financial year, carried out one or more of the following activities in relation to dealing in an OTC financial product with a professional investor:</p> <ul style="list-style-type: none"> <li>• determining the terms on which the OTC trader is willing to deal;</li> <li>• making or accepting an offer or an invitation to deal; and</li> <li>• managing the financial risk arising from dealing in a financial product.</li> </ul> | \$1,000      | No threshold             | New reporting requirement —annual return | Data source not available                | Data not available to estimate indicative levy |
| Retail OTC derivative issuers | \$2.791m                      | 101 (100.2 FYE) (estimate only) | <p><b>Number of days authorised</b></p> <p>The number of days in the financial year on which the entity holds the prescribed AFS licence authorisation.</p>  | N/A          | N/A                      | ASIC database                            | ASIC register for 2016–17                | \$27,855                                       |
| Wholesale electricity dealers | \$0.277m                      | To be reported by industry      | Flat levy  | N/A          | N/A                      | ASIC database                            | Data source not available                | Data not available to estimate indicative levy |

**Table 7: Indicative levies for the financial advice sector**

| Subsectors  | Budgeted cost recovery amount | Number of entities   | Levy metric and description  | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy | Indicative levy                                |
|---|-------------------------------|--|--|--------------|--------------------------|--------------------------------------|--|--|
| Licensees that provide personal advice to retail clients on relevant financial products                       | \$26.152m                     | 2,953 entities (2,620.8 FYE), with the number of advisers to be reported by industry | <p><b>Adjusted number of advisers on the financial advisers register</b></p> <p>The levy metric is based on the number of relevant providers (within the meaning of s910A) that are:</p> <ul style="list-style-type: none"> <li>• registered on the financial advisers register at the end of financial year; and</li> <li>• authorised to provide personal advice to retail clients on behalf of the entity.</li> </ul> | \$1,500      | No threshold             | ASIC financial advisers register     | Data source not available                | Data not available to estimate indicative levy |
| Licensees that provide personal advice to retail clients on products that are not relevant financial products | \$0.462m                      | 660 (641.9 FYE)  | <p><b>Number of days authorised</b></p> <p>The number of days in the financial year on which the entity holds the prescribed AFS licence authorisation.</p>  | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$719  |
| Licensees that provide general advice only  | \$2.023m                      | 983  | Flat levy  | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$2,058  |

| Subsectors   | Budgeted cost recovery amount | Number of entities | Levy metric and description | Minimum levy | Graduated levy threshold | Data source to calculate actual levy | Data source to calculate indicative levy | Indicative levy |
|--|-------------------------------|--------------------|-----------------------------|--------------|--------------------------|--------------------------------------|--|-----------------|
| Licensees that provide personal advice to wholesale clients only | \$0.874m                      | 1,466              | Flat levy                   | N/A          | N/A                      | ASIC database                        | ASIC register for 2016–17                | \$596           |

**Table 8: Indicative levies for insurance sector**

| Subsectors                        | Budgeted cost recovery amount | Number of entities         | Levy metric and description   | Minimum levy | Graduated levy threshold | Data source to calculate actual levy     | Data source to calculate indicative levy | Indicative levy                                |
|-----------------------------------|-------------------------------|----------------------------|---|--------------|--------------------------|--|--|--|
| Insurance product providers       | \$11.448m                     | To be reported by industry | <b>Gross premium and net policy revenue</b><br>Gross amount of premiums written and net revenue received, less any reinsurance expenses, in relation to business covered by the entity's AFS licence. | \$20,000     | \$5 million              | New reporting requirement —annual return | Data source not available                | Data not available to estimate indicative levy |
| Insurance product distributors    | \$2.376m                      | 3,007 (estimate only)      | Flat levy   | N/A          | N/A                      | ASIC database                            | ASIC database                            | \$790  |
| Risk management product providers | \$0.297m                      | 59 (57.5 FYE)              | Flat levy   | N/A          | N/A                      | ASIC database                            | ASIC database                            | \$5,168  |

## Key terms

| Term   | Meaning in this document   |
|--|--|
| AFS licence                                      | An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services<br><br>Note: This is a definition contained in s761A. |
| ASIC   | Australian Securities and Investments Commission   |
| ASX  | ASX Limited or the exchange market operated by ASX Limited   |
| ASX 24   | The exchange market formerly known as Sydney Futures Exchange (SFE), operated by Australian Securities Exchange Limited  |
| auditors of disclosing entities                  | Authorised audit companies and audit firms that audit disclosing entities with quoted securities   |
| Australian derivative trade repository operators | Has the meaning given in reg 59 of the Cost Recovery Levy Regulations  |
| basic levy formula                               | Formula apportioning our regulatory costs for a subsector to each entity, based on each entity's share of activity within the subsector  |
| Chi-X  | Chi-X Australia Pty Limited or the exchange market operated by Chi-X   |
| Cost Recovery Levy Regulations                   | ASIC Supervisory Cost Recovery Regulations 2017  |
| Corporations Act                                 | <i>Corporations Act 2001</i> , including any regulations made for the purposes of that Act   |
| corporate advisers                               | Has the meaning given in reg 63 of the Cost Recovery Levy Regulations  |
| credit providers                                 | Has the meaning given in s5 of the National Credit Act   |
| credit rating agencies                           | Has the meaning given in reg 60 of the Cost Recovery Levy Regulations  |
| CRIS   | Cost Recovery Implementation Statement   |
| CS facility                                      | A clearing and settlement facility as defined in s768A of the Corporations Act   |
| CS facility licence                              | An Australian CS facility licence under s824B that authorises a person to operate a CS facility in Australia   |
| CS facility operator                             | An entity that operates a CS facility under a CS facility licence  |

| Term                         | Meaning in this document  |
|------------------------------|---|
| custodians                   | AFS licensees with authorisations to provide custodial and depository services  |
| deposit product provider     | Australian deposit-taking institutions (i.e. banks, credit unions and building societies) that provide deposit products to consumers, such as deposit accounts, certificates of deposit, and foreign currency deposits  |
| draft CRIS                   | <i>Cost Recovery Implementation Statement: Levies for ASIC industry funding (2017–18)</i> , released for consultation in October 2017   |
| exempt CS facility operators | Market infrastructure providers that hold an exemption from the requirement to hold a CS facility licence   |
| exempt market operators      | Market infrastructure providers that hold an exemption from the requirement to hold an Australian market licence  |
| financial advisers register  | A register maintained by ASIC of individuals who are authorised to provide personal advice to retail clients on investments, superannuation and life insurance  |
| financial product advice     | <p>A recommendation or a statement of opinion, or a report of either of these things, that:</p> <ul style="list-style-type: none"> <li>• is intended to influence a person or persons in making a decision about a particular financial product or class of financial product, or an interest in a particular financial product or class of financial product; or</li> <li>• could reasonably be regarded as being intended to have such an influence.</li> </ul> <p>This does not include anything in an exempt document</p> <p>Note: This is a definition contained in s766B of the Corporations Act.</p> |
| flat levy                    | A levy based on the basic levy component formula where the cost is shared equally between the entities in a subsector   |
| FSI                          | Financial System Inquiry  |
| FTE staff                    | Full-time equivalent staff  |
| FYE                          | Full-year equivalent  |
| general advice               | <p>Financial product advice that is not personal advice</p> <p>Note: This is a definition contained in s766B(4) of the Corporations Act.</p>  |
| graduated levy               | <p>A levy based on the graduated levy component formula, where all entities in a subsector must pay:</p> <ul style="list-style-type: none"> <li>• a minimum levy; and</li> <li>• an additional variable component, based on each entity's share of relevant activity within the subsector</li> </ul>  |

| Term                           | Meaning in this document   |
|--------------------------------|--|
| IDPS                           | An investor directed portfolio service as defined in <a href="#">Class Order [CO 13/763]</a> <i>Investor directed portfolio services</i> or any instrument that amends or replaces that class order  |
| IDPS operator                  | An entity that operates an IDPS  |
| insurance product providers    | Has the meaning given in reg 72 of the Cost Recovery Levy Regulations  |
| insurance product distributors | Has the meaning given in reg 70 of the Cost Recovery Levy Regulations  |
| large proprietary companies    | Has the meaning given in reg 16 of the Cost Recovery Levy Regulations  |
| listed corporations            | Has the meaning given in reg 22 of the Cost Recovery Levy Regulations  |
| MAI system                     | Markets Analysis and Intelligence system   |
| managed investment scheme      | Has the meaning given in s9 of the Corporations Act  |
| margin lenders                 | Has the meaning given in reg 23 of the Cost Recovery Levy Regulations 2017   |
| MDA                            | A managed discretionary account  |
| National Credit Act            | <i>National Consumer Credit Protection Act 2009</i>  |
| NSX                            | NSX Limited or the exchange market operated by NSX Limited   |
| OTC                            | Over the counter   |
| OTC traders                    | Has the meaning given in reg 66 of the Cost Recovery Levy Regulations  |
| payment product providers      | Has the meaning given in reg 28 of the Cost Recovery Levy Regulations  |
| personal advice                | Financial product advice given or directed to a person (including by electronic means) in circumstances where: <ul style="list-style-type: none"> <li>• the person giving the advice has considered one or more of the person's objectives, financial situation and needs; or</li> <li>• a reasonable person might expect the person giving the advice to have considered one or more of these matters</li> </ul> <p>Note: This is a definition contained in s766B(3) of the Corporations Act.</p> |
| reg 20 (for example)           | A regulation of the Cost Recovery Levy Regulations (in this example numbered 20), unless otherwise specified   |
| registered company auditors    | Has the meaning given in reg 18 of the Cost Recovery Levy Regulations  |

| Term                               | Meaning in this document   |
|------------------------------------|--|
| registered liquidator              | A person registered by ASIC under s20-30 of Sch 2 to the Corporations Act  |
| registered scheme                  | A managed investment scheme that is registered under s601EB of the Corporations Act  |
| registerable superannuation entity | Has the meaning given in the <i>Superannuation Industry (Supervision) Act 1993</i>   |
| relevant financial product         | A financial product other than a basic banking product, general insurance product, consumer credit insurance, or a combination of any of these products (see s922C of the Corporations Act)  |
| retail client                      | A client as defined in s761G of the Corporations Act and Div 2 of Pt 7.1 of the Corporations Regulations   |
| retail OTC derivatives issuers     | Has the meaning given in reg 61 of the Cost Recovery Levy Regulations  |
| responsible entity                 | A responsible entity of a registered scheme as defined in s9 of the Corporations Act   |
| risk management product providers  | Has the meaning given in reg 71 of the Cost Recovery Levy Regulations  |
| RSE licensee                       | Has the meaning given in s10 of the <i>Superannuation Industry (Supervision) Act 1993</i>  |
| s912C (for example)                | A section of the Corporations Act (in this example numbered 912C), unless otherwise specified  |
| securities dealers                 | Has the meaning given in reg 67 of the Cost Recovery Levy Regulations  |
| small amount credit contract       | Has the meaning given in s5 of the National Credit Act   |
| small proprietary companies        | Has the meaning given in s45A(2) of the Corporations Act   |
| SSX (formerly APX)                 | Sydney Stock Exchange Limited or the exchange market operated by SSX<br><br>Note: SSX was formerly known as Asia Pacific Exchange Limited (APX) and Asia Pacific Stock Exchange Limited.   |
| superannuation fund                | Has the meaning given in s10(1) of the <i>Superannuation Industry (Supervision) Act 1993</i>   |
| superannuation trustee             | A person or group of person licenced by the Australian Prudential Regulation Authority under s29D of the <i>Superannuation Industry (Supervision) Act 1993</i> to operate a registrable superannuation entity (e.g. superannuation fund) (also known as an 'RSE licensee') |

| Term                                 | Meaning in this document   |
|--------------------------------------|--|
| Tier 1 CS facility                   | Has the meaning given in reg 54 of the Cost Recovery Levy Regulations  |
| Tier 2 CS facility                   | Has the meaning given in reg 55 of the Cost Recovery Levy Regulations  |
| Tier 3 CS facility                   | Has the meaning given in reg 56 of the Cost Recovery Levy Regulations  |
| Tier 4 CS facility                   | Has the meaning given in reg 57 of the Cost Recovery Levy Regulations  |
| traditional trustee company services | <p>Has the meaning given in s601RAC(1) of the Corporations Act, and includes:</p> <ul style="list-style-type: none"> <li>• performing estate management functions (as defined in s601RAC(2));</li> <li>• preparing a will, a trust instrument, a power of attorney or an agency arrangement;</li> <li>• applying for probate of a will, applying for grant of letters of administration, or electing to administer a deceased estate;</li> <li>• establishing and operating common funds; and</li> </ul> <p>any other services prescribed by the regulations for the purpose of s601RAC(1)</p> |
| Treasury proposals paper             | <i>Proposed industry funding model for the Australian Securities and Investments Commission: Proposals paper</i> , published November 2016   |
| unlisted public companies            | Has the meaning given in reg 17 of the Cost Recovery Levy Regulations  |
| wholesale client                     | A client who is not a retail client as defined in s761G of the Corporations Act and Div 2 of Pt 7.1 of the Corporations Regulations 2001   |
| wholesale electricity dealers        | Has the meaning given in reg 62 of the Cost Recovery Levy Regulations  |
| wholesale trustee                    | Has the meaning given in reg 37 of the Cost Recovery Levy Regulations  |

## Related information

### Headnotes

basic levy formula, cost recovery, flat levy, graduated levy, indicative levy, industry funding, regulatory costs

### Legislation

*ASIC Supervisory Cost Recovery Levy Act 2017*

*ASIC Supervisory Cost Recovery Levy (Collection) Act 2017*

Corporations Act

Cost Recovery Levy Regulations

### Reports

[REP 535](#) *ASIC cost recovery arrangements: 2017–18*

### ASIC forms

[Form 388](#) *Copy of financial statements and reports*

### Other ASIC documents

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### Non-ASIC documents

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