



THE HON JOSH FRYDENBERG MP
Treasurer

SENATOR THE HON JANE HUME
Minister for Superannuation, Financial Services and the Digital Economy

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TEMPORARY AND TARGETED RELIEF ON ASIC LEVIES FOR FINANCIAL ADVISERS

The Morrison Government is today announcing temporary and targeted relief for financial advisers by reducing the cost recovery levies charged by the Australian Securities and Investments Commission (ASIC).

As implementation of the recommendations of the Financial Services Royal Commission continues, this reduction will help ensure Australians can continue to have access to affordable and professional financial advice.

The relief will see ASIC levies charged for personal advice to retail clients restored to their 2018-19 level of \$1,142 per adviser for the next two years (relating to 2020-21 and 2021-22). The flat per licensee charge will remain at \$1,500.

This represents a substantial reduction relative to the level estimated in ASIC's 2020-21 Cost Recovery Implementation Statement of \$3,138 per adviser. The sub-sector as a whole will pay an estimated \$46 million less in ASIC Levies in 2020-21 alone, with further savings flowing in 2021-22.

The freeze in the per adviser levy will provide financial advisers with the certainty they need over the next two years to deal with the impacts of COVID-19 and further regulatory reforms making their way through the Parliament, including the introduction of a Single Disciplinary Body and a Compensation Scheme of Last Resort.

Treasury will also review the ASIC Industry Funding Model while this temporary relief is in place, to ensure it remains fit for purpose in the longer term given structural changes taking place in the advice industry. This review will commence in 2022 and will be undertaken in consultation with the Department of Finance and ASIC.

Only the Morrison Government is committed to ensuring Australians have access to affordable and professional financial advice.

Ends