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ASIC's INNOVATION HUB

**APEC FRTI REGIONAL SEMINAR
Fintech in Capital Markets
3-7 July 2017, Seoul, Republic of Korea**

ASHLY HOPE

Senior Adviser, International Strategy
Australian Securities and Investments Commission

Today...

- ASIC's Innovation Hub
 - Key components
 - Practical considerations
- Looking at other Innovation Hubs
- Group exercise – role play

Questions to think about

- Who should an innovation hub or similar initiative be directed at in my jurisdiction?
- What am I trying to achieve with my innovation hub?

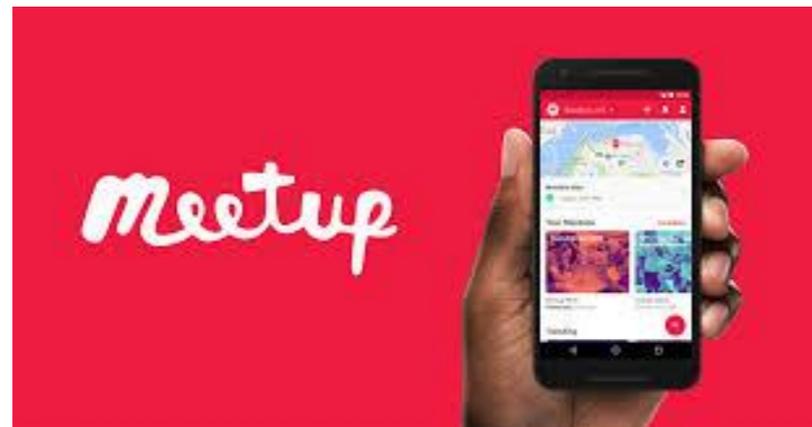
Why an Innovation Hub?

- Help innovative businesses to navigate the regulatory system
- Help fintechs understand how regulation affects their business
- Help ASIC understand innovative developments
- Political context

The five point approach

- Engagement
- Digital Finance Advisory Committee
- Coordination
- Enhanced communication
- Streamlined approach

Engagement



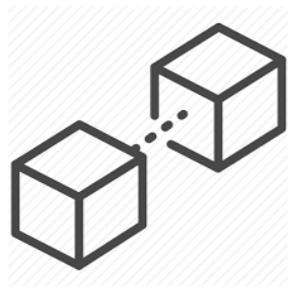
Digital Finance Advisory Committee

- Inform our fintech efforts
- Range of members:
 - Fintech community
 - Academia
 - Consumers
- Other financial regulators as observers.

Coordination



Senior taskforce



Internal working groups



A network of staff

Enhanced communication

The screenshot shows the ASIC Innovation Hub website. At the top, there is a navigation bar with the ASIC logo and name, a search bar with the text "Start searching" and a "SEARCH" button, and a menu with categories: "FOR BUSINESS" (highlighted), "FOR FINANCE PROFESSIONALS", "FOR CONSUMERS", "REGULATORY RESOURCES", and "ABOUT ASIC". Below the navigation bar, the main content area features a breadcrumb trail: "Home > For business > Your business > Innovation Hub". The main heading is "Innovation Hub" with a printer icon. Below this is a large graphic with the text "ASIC's INNOVATION HUB". A text box below the graphic states: "ASIC's Innovation Hub exists to foster innovation that could benefit consumers by helping Australian fintech startups navigate our regulatory system. Within these pages we provide tailored information and access to informal...". To the right, there is a "Subscribe for updates" section with an email icon and the text "To subscribe for updates email innovationhub@asic.gov.au". Below that is a "News" section with a document icon and the headline "Japan and Australia cooperate on fintech", dated "23 June 2017". The news text reads: "The Japan Financial Services Agency ('JFSA') and ASIC today announced the completion of a framework for cooperation to promote innovation in financial services in Japan and Australia." A link "Read the media release" is provided at the bottom of the news section.

New Guidance

- Regulatory Guide 255 *Providing digital financial product advice to retail clients* (RG 255) aims to assist industry to understand ASIC's approach to regulating digital advice.
- Information Sheet 213 *Marketplace lending (peer-to-peer lending) products* (INFO 213) provides guidance to assist providers of marketplace lending products and others providing financial services in connection with these products. It outlines the relevant disclosure requirements, regulatory obligations and good practice examples.



144
Entities requested
and received
informal assistance



43
Meetings with
Reg Tech entities



33
New AFS/credit
licences granted

Who gets assistance?

- Fintech start-up businesses – that is, companies that have not commenced operation under a licence from ASIC, are in the process of obtaining a licence from ASIC or have been operating with a licence from ASIC for less than 12 months.
- Potentially ground-breaking innovation – that is, one that is a new or significantly different product or service from those currently available.
- Innovation that potentially provides a better outcome for investors and consumers.

How do they get assistance?

- Download the Innovation Hub assistance request form
- Address the eligibility criteria
- Read our information on licensing and regulation
- Appoint a suitable contact within the organisation
- Direct any questions to the Innovation Hub team
- Submit the assistance request form



Innovation Hub: Request for assistance

About this document

This document will help us understand your business and the type of assistance you may need. This form is a tool to help start our discussion – it is intended to be quick and easy for you to complete, and not a barrier to seeking help.

If we have more questions about a particular aspect of your business, we will contact you.

If you have already produced a document or presentation (e.g. a business plan) that describes your innovation and provides much of the information requested here, please send it through. You would then only need to fill in any missing information.

Once you have completed this document, please email it (and any supporting attachments you wish to include) to us at innovationhub@asic.gov.au.

1. Information about you and your business



Your full name and title, as well as

How does the Hub help fintechs?

» *Fintechs who have engaged with the Innovation Hub prior to submitting their application for approval for a licence are getting approval nearly 45% faster than if they hadn't engaged.*

Other innovation hubs

- Financial Conduct Authority (United Kingdom) – Project Innovate/Innovation Hub
- Malaysia Securities Commission – aFINity
- Ontario Securities Commission – LaunchPad
- Hong Kong Securities Futures Commission – Fintech Contact Point
- Others?

Group task – meet a fintech startup

References

- Backing Australian Fintech <https://fintech.treasury.gov.au/>
- ASIC's Innovation Hub website <http://asic.gov.au/for-business/your-business/innovation-hub/>