

ASIC releases bi-annual report on enforcement outcomes

ASIC has released a report on their enforcement outcomes over the period January to June 2018. Some of the key outcomes of the enforcement activities include:

- 67 investigations commenced
- 73 investigations completed
- 68 banning and disqualification orders from providing financial services and credit
- 20 people disqualified and removed from directing companies
- 13 people charged in criminal proceedings
- \$20.44 million in civil penalties
- 16 infringement notices issued
- \$213,200 in infringement noticed paid
- 12 court enforceable undertakings, and
- \$7.57 million in community benefit fund payments.

ASIC's focus for the next six months will continue to be on the conduct of gatekeepers to ensure they meet the standards of conduct required by law. Particular focus will be given to:

- companies with poor corporate governance
- undisclosed associations and substantial holdings in shares in public companies (including beneficial ownership tracing and corporate fraud)
- related party transactions involving public companies
- poor financial reporting by listed companies and other public interest entities
- the quality of audits of listed companies and other public interest entities
- insolvency practitioners and others who facilitate serious illegal phoenix activity and improper transactions in the face of insolvency
- debenture issuers and other companies exposed to risk as a result of a declining property market, and
- company directors and officers who fail to stop their companies making illegal payments to officials of overseas governments.

ASIC's enforcement team aims to address the key risks outlined in its Corporate Plan. The Corporate Plan sets out ASIC's vision, long-term challenges, key risks and strategy for the near future. The key risks identified in this Plan are:

- poor culture and conduct in financial services and credit, resulting in poor outcomes for investors and consumers
- poor culture and conduct in markets, undermining market integrity
- financial vulnerability of consumers at key decision points
- misalignment of retail product design and distribution with consumer needs
- inadequate risk management of technological change, including digital disruption and cyber threats, and
- cross-border businesses, services and transactions in a continually evolving regulatory environment.

[Read the full report here](#)