Context – Australia’s Open Financial System

- 52 Authorised foreign banks
- Significant foreign firm representation -
  - Syndicated loans
  - DCM
  - ECM
- Quick global regulation transmission
Direct impacts

- **Official Global Standards**
  - Examples - Bank for International Settlements, IOSCO, FATF
  - Local approach and interpretation important

- **Extraterritorial Measures**
  - Examples – Dodd Frank Act, European benchmarks regulation, MiFID 2
  - Equivalence and substituted compliance important
Downstream Impacts

- Transfer by adoption of overseas policy ideas
- Transfer via global firms internal policies
- Transfer by business conduct and behaviours
- Complex interactions with local laws eg taxation
Global Conduct Standards

- **Global FX Code**
  - True global standard backed by central banks
  - AFMA endorsement and operation of Australian register

- **UK FICC Markets Standards Board**
  - Developed in London for global application by member firms
  - AFMA issues wholesale industry conduct standards in Australia
Some management options

- Domestic regulator participation in global standard setters
- Industry working with regulators on cross-border matters
- Regional regulator liaison
- IOSCO co-ordination of cross-border regulation
- Engagement with standard setters
- Industry Forums (ASF, ICSA etc)
Discussion

- Q&A