

BSA

***ABAC/ABA/PECC Symposium –
Promotion of Good Corporate
Governance & Transparency in
APEC Financial Institutions
Session 5
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International Banks and Securities Association of Australia (IBSA)

Business benefits

- Investor confidence
- Better informed investors
- Company value
- Protection of reputation
- ASX Corporate Governance Council principles and best practice

Regulatory mix

- Good governance is integral part of regulatory mix
- Shared by regulators
 - ASIC
 - APRA
 - ASX
- No functional overlap
- Consistent standards



Role of financial associations

- Self regulate – review and raise standards
- Help Government design good regulation
- Self regulation should complement official regulation
- Must be enforceable



“Businesses’ behaviour can be influenced by self-regulatory mechanisms such as codes. But these are effective only where there are sanctions for improper conduct which are proportionate, and are imposed on delinquent entities” Hon Chris Pearce MP, Parliamentary Secretary to Treasurer 22 September 2005

ASIC's code approval criteria

- Freestanding/plain English
- Comprehensive body of rules
- Enforceable against subscribers
- Consultation with stakeholders
- Effective and independent administration
- Adequately promoted
- Monitored and enforced compliance
- Appropriate remedies and sanctions
- Mandatory review every 3 years

Supporting good regulation

- Industry 'know-how' leads to better regulation
- Effective and genuine consultation is vital
- Bridge between industry and government
- Forum for policy views
- Education/professional standards
- Entry requirements

Summary

- Good governance promotes market integrity and investor confidence
- Driver of company value
- Shared regulatory objective
- A constructive role for associations

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