



2022 PENSION LAWYERS ANNUAL CONFERENCE

Twin Peaks regulatory architecture in Australia and abroad

Dr Andrew Godwin, Principal Fellow, Melbourne Law School

Special Counsel, Australian Law Reform Commission



A personal note



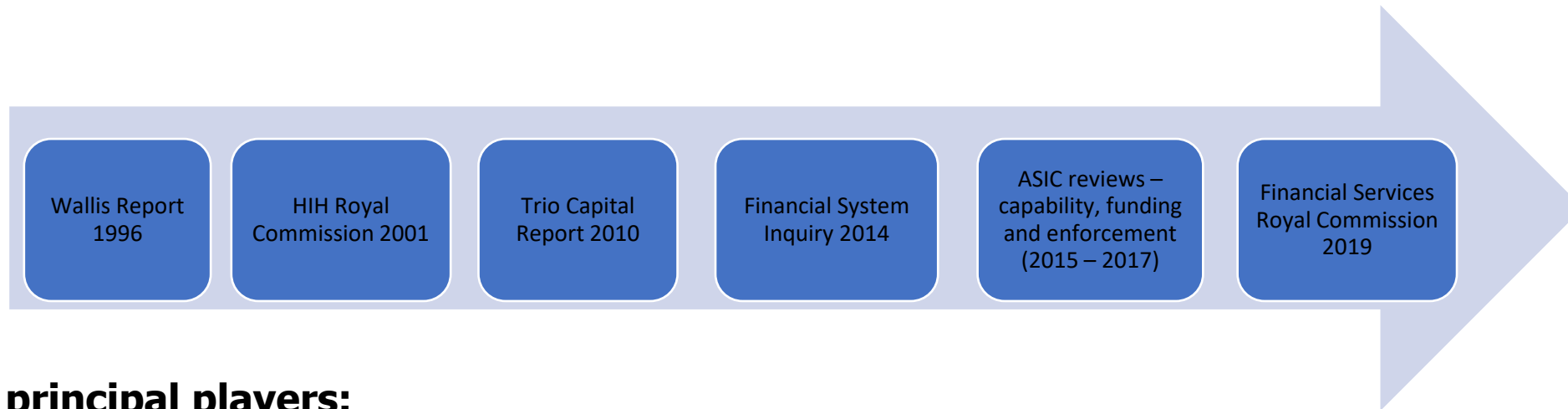
Outline

- The origins of Twin Peaks in Australia and important milestones
- Key issues:
 - Objectives/mandates of regulators
 - Operational independence
 - Accountability
 - Regulatory coordination
 - Regulatory overlap
 - Macroprudential regulation and financial stability
 - Regulatory culture



The Origins of Twin Peaks in Australia

Important milestones



The principal players:

- Australian Securities and Investments Commission (ASIC)
- Australian Prudential Regulation Authority (APRA)
- Reserve Bank of Australia (RBA)
- The Treasury



Key issues in Australia

Objectives/mandates

- Delineating the objectives between the twin peaks
- Competition mandate

Operational independence

- Relationship with the executive government
- Governance

Accountability

- Reporting and performance assessment
- ASIC Capability Review
- Financial Regulator Assessment Authority (FRAA)



Key issues in Australia

Regulatory coordination

- Information-sharing
- Consultation and mutual-assistance
- Practical measures
- Coordinating body – the Council of Financial Regulators (CFR)
 - Membership
 - Legislative framework and memoranda of understanding

Regulatory overlap

- 'Border challenges'
 - Co-regulation
- Supervisory tools
 - Enforcement strategies



Key issues in Australia

Macroprudential regulation and financial stability

- ASIC does not have an express financial stability mandate
- No separate financial stability authority in Australia

Regulatory culture

- Relevance of structure
- The trade-off between flexibility and certainty

Technological innovation

- The challenges of the digital economy

Lessons for South Africa

THANK YOU

PENSION  LAWYERS
ASSOCIATION

