

BE AWARE OF ASIC'S PANDEMIC ENFORCEMENT PRIORITIES

ASIC is soldiering on with its enforcement work during the pandemic. In its enforcement update for the period 1 January 2020 to 30 June 2020, ASIC reports it has achieved 54 financial services related enforcement results. ASIC also discloses its pandemic related enforcement priorities, which will guide its response to misconduct associated with the pandemic.

Senior associate Elliott Stumm says that relevantly for fund managers, ASIC's pandemic-related enforcement priorities focus on—

- misconduct arising from behaviour seeking to exploit the pandemic environment, including mis-selling of unsuitable investment products
- opportunistic conduct, such as scams, unlicensed conduct, and misleading and deceptive advertising
- failures to disclose materially negative information
- opportunistic and misleading market announcements made to the ASX, and
- egregious governance failures within corporations and managed investment schemes.

These priorities are in addition to ASIC's strategic priorities which always include the following types of conduct:

- Significant market misconduct.
- Misconduct that is serious either by its nature or extent of harm, or that involves a large market participant or licensed entity.
- Misconduct that involves a high risk of significant consumer harm, particularly involving vulnerable consumers.
- Misconduct by individuals, particularly criminal conduct, or governance failures, at board or executive level.



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