

ISC'S PREFERRED MODEL FOR THE REGULATION OF THE FINANCIAL SYSTEM

| FOCUS | REGULATOR | COVERAGE¹ | NATURE OF REGULATION |
|--|--|--|---|
| SYSTEMIC RISK PRUDENTIAL SUPERVISION OF DEPOSIT TAKING FINANCIAL INSTITUTIONS | RESERVE BANK OF AUSTRALIA | <ul style="list-style-type: none"> • Banks • Building Societies • Credit Unions | Institutional |
| OTHER PRUDENTIAL SUPERVISION | INSURANCE AND SUPERANNUATION COMMISSION | <ul style="list-style-type: none"> • General insurance companies • Life insurance companies • Superannuation entities² • Collective Investments³ | Institutional Institutional and Functional |
| RETAIL BUSINESS CONDUCT | RETAIL INVESTMENT COMMISSION | <ul style="list-style-type: none"> • Conduct of product providers and advisers in respect of: <ul style="list-style-type: none"> - financial advice; - disclosure; - complaints handling; • Oversight of complaints handling schemes | Functional |
| MARKET INTEGRITY & COMPANIES | AUSTRALIAN SECURITIES COMMISSION | <ul style="list-style-type: none"> • Companies • Exchanges | Functional |
| COMPETITION | AUSTRALIAN COMPETITION AND CONSUMER COMMISSION | <ul style="list-style-type: none"> • Competition • Generic Consumer Protection (excluding financial sector) | Functional |

¹ The future home for friendly societies needs further clarification.

² Including supervision of retirement income standards of superannuation entities and functional supervision of RSAs.

³ If prudentially supervised.

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