

Article Information

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ASIC to pursue harsher penalties with tougher laws passed by Senate

ASIC will soon be able to pursue harsher penalties against banks, executives and other in breaches of financial services laws, after a significant bill was passed by both houses.

ASIC will soon have the authority to pursue harsher civil and criminal penalties against banks, executives and others in breach of financial services laws, after a significant bill was passed by both Houses.^[1] The *Treasury Laws Amendment (Strengthening Corporate and Financial Sector Penalties) Bill 2018* enacts the recommendations of the ASIC Enforcement Review Taskforce.

The Bill aims to strengthen existing corporate laws as well as introduce new penalties for those in breach.^[2] Significant features of the Bill include an increase of maximum prison penalty to 15 years for things such as breach of directors duties, false or misleading disclosure and dishonest conduct.^[3] Civil penalties will be increased to a maximum of \$525 million for companies and \$1.05 million for individuals.^[4] Civil penalties will now also account for a wider range of misconduct, including licensees failure to act efficiently, honestly and fairly and the failure to report breaches and defective disclosures.

The Bill will return to the House of Representatives and is expected to place ASIC in a better position to pursue more adequate remedies against those in breach of Australia's corporate laws, especially in relation to the outcomes of the Banking Royal Commission.^[5]

^[1] ASIC, '19-032MR ASIC to Pursue Harsher Penalties After Laws Passed by the Senate, media release, 15 February 2019, <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2019-releases/19-032mr-asic-to-pursue-harsher-penalties-after-laws-passed-by-senate>.

^[2] Ibid.

^[3] Ibid.

^[4] Ibid.

^[5] Ibid.