On 4 October 2018, the Australian Securities and Investments Commission (ASIC) entered into the ‘Cooperation Arrangement on Financial Technology Innovation’ bilateral agreement (Agreement) with the US Commodity Futures Trading Commission (CFTC) to cooperate and exchange information in the fintech and regtech industries in each jurisdiction. Broadly, the Agreement seeks to enhance mutual understanding, identify market developments and trends, facilitate fintech innovation and foster the use of more efficient and effective regtech.

Specifically, the Agreement sets out the following terms of the cooperative arrangement between ASIC and CFTC:

- establishment of formal channels of cooperation, information sharing and communication between ASIC’s Innovation Hub with the CFTC’s LabCFTC;
- facilitation of referrals of fintech companies from one jurisdiction interested in establishing operations in the other jurisdiction;
- promotion of the establishment of periodic meetings between the regulators to discuss developments and other events as a means of learning from each other; and
- contemplation of the usage of non-public and confidential information shared between the regulators.

Notwithstanding the above, it is important to note that Agreement is non-binding in nature and does not impose specific obligations on the regulator’s individual responsibilities or create any legal obligations that supersede domestic law. While the Agreement may be non-binding, its objective of alignment and cross collaboration between the US and Australian fintech industries will give local companies greater cross border exposure and accessibility in both jurisdictions as well as providing each regulator with further information on best practices.

Click here to review the full Agreement.

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