



**Australian Government**

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**The Treasury**

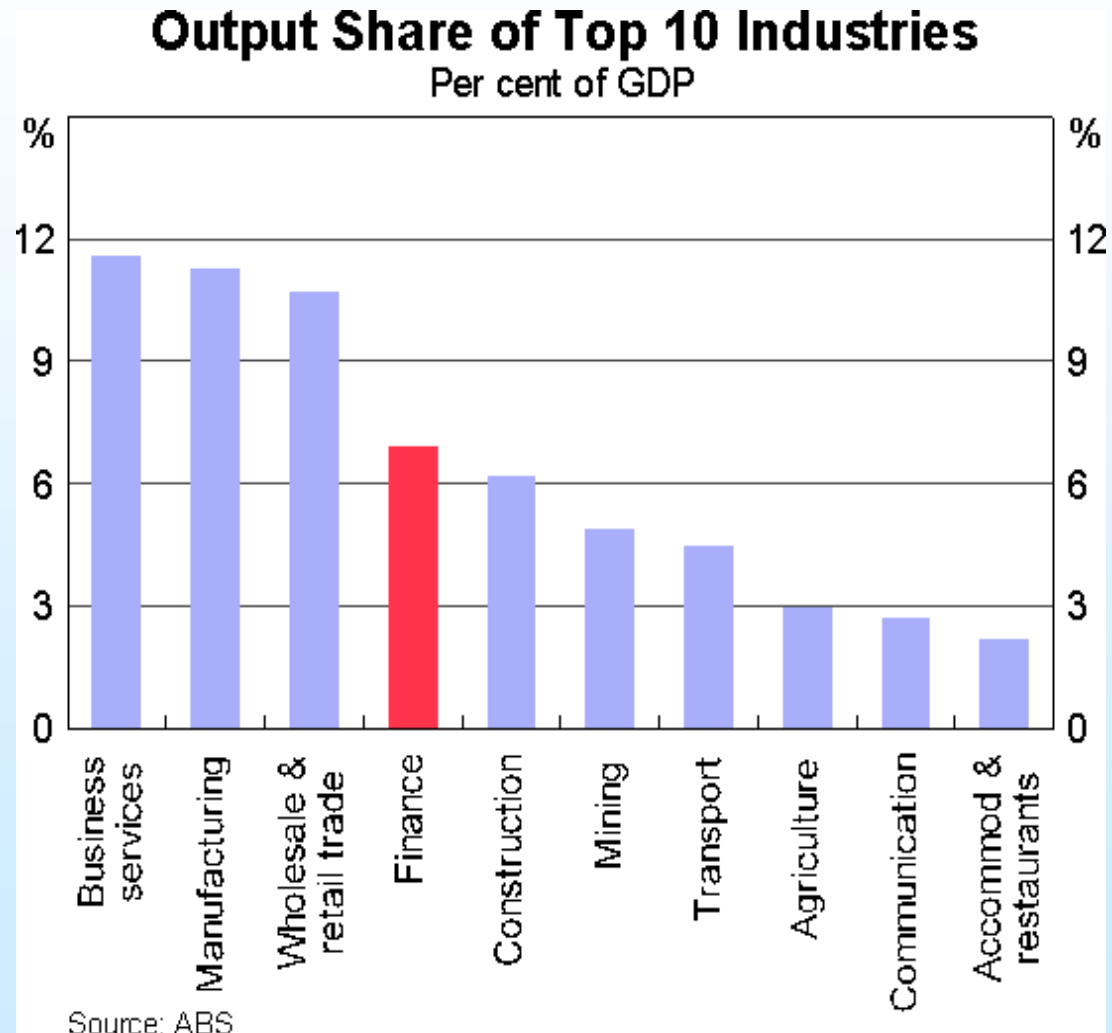
# **TRENDS IN FINANCIAL REGULATION**

Jim Murphy  
Executive Director, Markets Group  
Australian Treasury

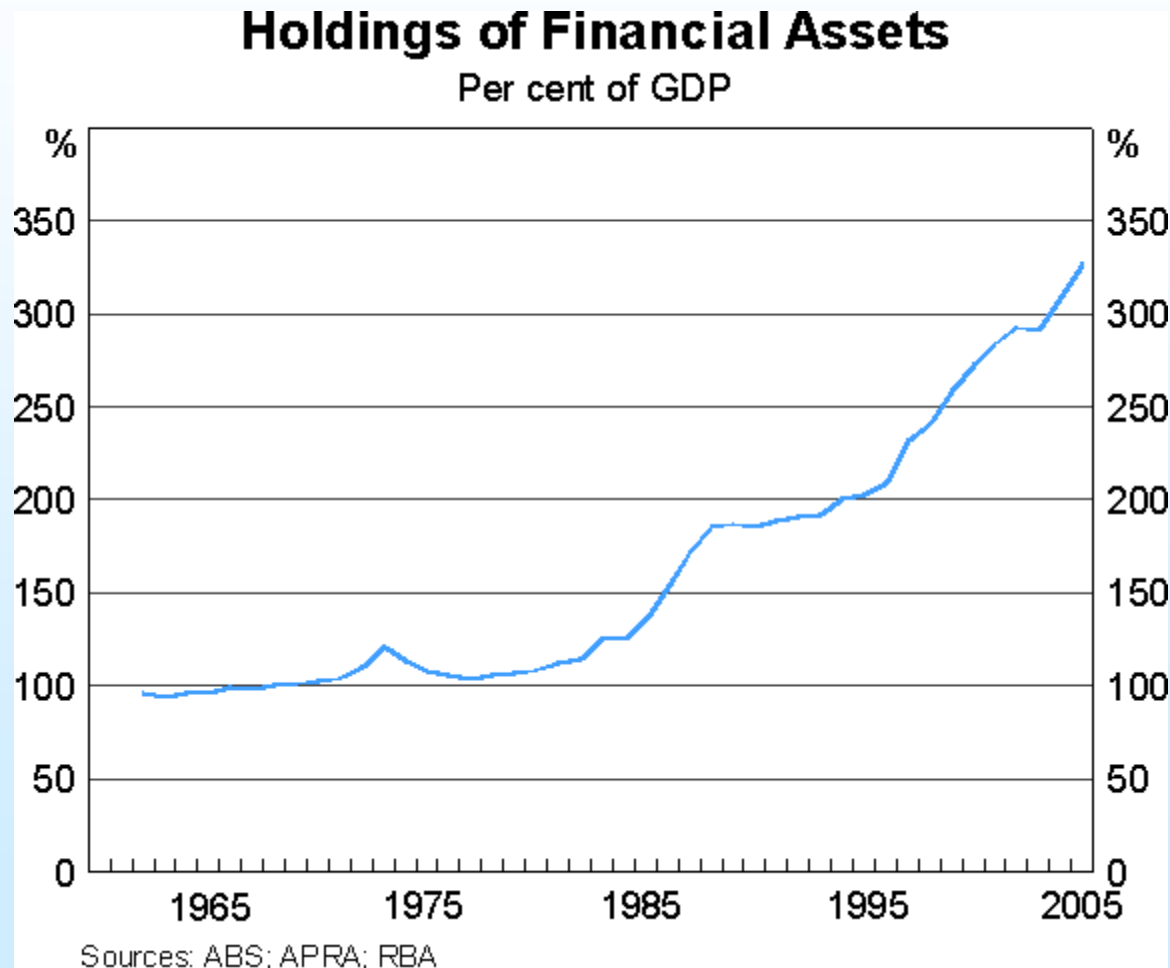
# Macroeconomic Setting

- International environment
- GDP growth
- Household sector
- Business Sector

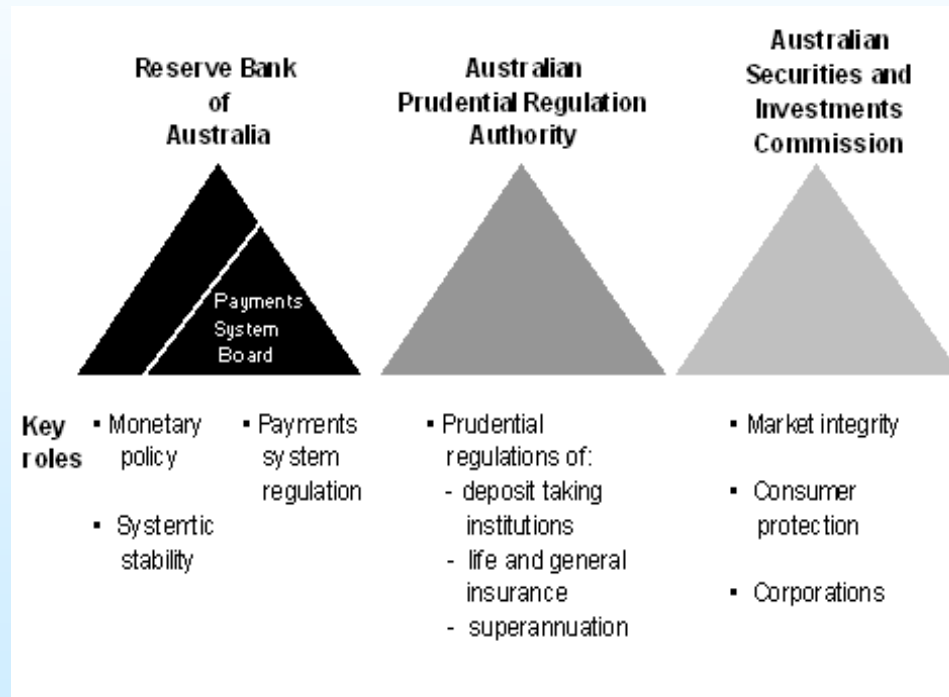
# Financial Sector



# Holdings of Financial Assets



# Key regulatory agencies in Australia



# Objectives of Regulation

- Financial stability
- Appropriate allocation of risk
- Innovation and competition

# Dynamics of Financial Sector

- International integration
- Wealth management
- Consumer benefits

# Policies underpinning regulation

- Rethinking Regulation Taskforce
- Managing risk
- Regulators' accountability
- Benchmarking

# Financial Sector Assessment Programme

- Comprehensive
- Independent expert review
- Transparency

# Ongoing Regulatory Change

- Basel II
- Anti Money laundering
- Integration with New Zealand

# Conclusion

- Sound financial sector
- Ongoing vigilance
- Benefits to community