

Chaneg Torres

29 September 2025

FSC Policy Update - Issue 87 - 29 September 2025

Welcome to Issue 87 of the FSC Policy Update. This article outlines legislative and regulatory developments in the superannuation, investments, financial advice, tax, technology and innovation sectors, plus more. Learn about what's impacting the financial services industry.

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PARLIAMENT, LEGISLATION & REGULATION

Financial System Emerging Risks

Recent highly publicised fund collapses associated with significant consumer losses have raised multiple complex policy issues for consideration, given the way these product failures cut across multiple policy domains.

The FSC is currently undertaking policy development work with members in areas including responsible entity obligations, managed investment scheme registration requirements, advice licensing, research houses best practice, lead generation and marketing practices, platform investment governance best practice, and the design of the Compensation Scheme of Last Resort (CSLR).

The FSC continues to work closely with the government, regulators and members on these multiple streams of policy development work.

For more information, please contact [Chaneg Torres](#) or [Julia Hukka](#).

Compensation Scheme of Last Resort

In July, the CSLR operator announced the revised estimate of the scheme's total cost as \$75.7 million for FY26, with \$67.3 million attributable to the financial advice sector, exceeding the subsector cap of \$20 million. The CSLR operator has provided the Financial Services Minister with the revised levy estimate and has formally requested that he make a decision on a special levy to fund the \$47.3 million excess in compensation claims against the personal financial advice subsector.

On 1 August 2025, Treasury released a [consultation paper](#) on options for the CSLR special levy. The paper sets out several potential approaches to recover the excess of \$47.3 million above the personal financial advice subsector cap of \$20 million.

The FSC responded to the Special Levy Consultation with a submission outlining that it was imperative the Government address the structural issues with the scheme prior to

imposing a special levy, as outlined in the FSC's original [submission](#) to Treasury's Post Implementation Review of the CSLR.

Treasury is yet to publish the submissions made to either their [Post Implementation Review of the CSLR](#) or their [Special Levy Consultation](#).

For more information, please contact [Julia Hukka](#) or [Kirsten Samuels](#).

Financial Adviser professional standards - alternate qualification pathway

A Treasury omnibus Bill, Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025, was introduced into Parliament on 4 September. This contains a technical amendment relevant to the qualification standards for financial advisers. In particular, the amendment corrects a drafting error from the Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Act 2021 which inadvertently removed access to the alternative qualification pathway for existing providers to meet the financial advice qualifications standard who are relevant providers on 1 January 2026.

An existing provider can meet the qualifications standard by completing the necessary top up course(s) determined by the Minister in law, giving them qualifications equivalent to the qualifications standard ('alternative qualification pathway').

Treasury has emphasised this is not a change in policy but a correction to align with the original policy intent to ensure the alternative qualification pathway remains available to existing providers who are relevant providers on 1 January 2026. The FSC will follow the progress of the Bill and keep members informed.

For more information, please contact [Harvey Russell](#).

Productivity Commission consults on five pillars of productivity interim reports

The Productivity Commission has released interim reports for consultation under its inquiry into productivity reforms. The FSC has previously provided proposals on the role of financial services in driving productivity improvements, with recommendations most relevant to Pillar 1: Creating a more dynamic and resilient economy and, to a lesser extent, Pillar 5: Investing in cheaper, cleaner energy and the net zero transformation. The FSC has lodged a submission focusing primarily on Pillar 1.

In [its submission](#), the FSC supports the Commission's draft recommendations to reduce regulatory complexity and improve regulatory practice, including greater reliance on guidance and collaboration rather than punitive enforcement. The FSC will also continue to advocate for reforms that strengthen Australia's position as a global

financial services centre, attract international investment, and reduce barriers to capital inflows.

On the proposed changes to corporate tax, the FSC notes that while lowering the corporate tax rate is welcome, the proposed cashflow tax is not workable for the financial services sector as it risks undermining neutrality and creating distortions. Instead, the FSC will recommend that the final report call for a holistic review of the tax system, with a focus on measures that enhance competitiveness and long-term investment, including withholding tax reform.

For more information, please contact [James Young](#).

SUPERANNUATION

Platform Investment Governance

There is heightened regulatory attention on wrap platform investment governance by APRA and ASIC. APRA is expected to release their Platforms Plus Strategic Research to industry in the coming weeks. The FSC is actively engaging with both regulators on industry best practice with respect to investment and adviser governance and will continue to keep members informed of key developments.

For more information, please contact [Julia Hukka](#).

Treasurer to consider resuming the review of the performance test

As an outcome of the Treasurer's Economic Roundtable, the Government is considering changes to the performance test to support greater investment in Future Made in Australia priorities such as affordable housing and renewable energy. Treasury is expected to re-commence consultation on the performance test, with further direction to be provided by the Treasurer on the scope of reforms.

It is likely that one of the aims of the consultation will be to seek to achieve a model that is enduring and requires minimal ongoing maintenance. Options that can gain consensus across the industry are more likely to be implemented.

The FSC has put forward proposals, including the use of CPI+X% benchmarks for emerging assets, to ensure reforms are aligned with national investment priorities while preserving the robustness of the test and ensuring it remains workable for trustees.

For more information, please contact [Aidan Johnson](#).

ASIC consults on RG97 changes

ASIC has commenced a review of Regulatory Guide 97: Disclosing fees and costs in PDSs and periodic statements (RG97), with a particular focus on the treatment of stamp duty in fees and costs disclosure. This follows concerns that current requirements may create barriers to residential property investment. The FSC has been invited to participate in the consultation, which is being progressed through a series of Superannuation Investment Working Group meetings.

The FSC's engagement in the working groups has emphasised the importance of preserving transparency for consumers, while ensuring there are no unintended disadvantages for other asset classes. A key consideration will be how stamp duty is treated relative to other government charges, and whether any changes in this area could create expectations for broader application to sectors such as infrastructure, where the impact would be more significant.

The FSC will continue to contribute to working group discussions as ASIC's consultation progresses.

For more information, please contact [Aidan Johnson](#).

Government Consults on Retirement Best Practice Principles

In August, Treasury released the long awaited public consultation on the proposed retirement best practice principles (BPPs) which had undergone significant consultation in a closed, confidential group.

The BPPs cover areas such as cohorting members, offering them access to advice and guidance, and providing them with a suite of retirement products, including longevity solutions.

The FSC [made a submission](#) to the consultation which highlighted the importance of customer choice. The principles have, through the closed consultation process and in response to FSC feedback, stepped back from more prescriptive language. Originally, the FSC was concerned that the language of the draft BPPs would have encouraged trustees to incentivise and create 'default' retirement behaviour. The FSC believes this would lead to poor consumer outcomes and is continuing to focus its advocacy on the benefits of empowering customers to make decisions about their retirement.

For more information, please contact [Kirsten Samuels](#).

Government Consults on Retirement Reporting Framework

Treasury has consulted on a Retirement Reporting Framework in parallel with APRA's early engagement on a new retirement data collection to support supervision. The consultation proposed indicators and metrics with the aim of increasing transparency of how trustees are servicing retirees, covering product and service offerings, tools and support, and outcomes such as drawdown patterns, income sustainability, and member engagement.

The [FSC's submission](#) emphasised coordination with APRA's supervisory collection, proportionate scope, and a focus on data that trustees can consistently provide. Key points included:

- Clarifying the purpose of each data item: supervisory use, industry-level or trustee-level public reporting.
- Avoid behavioural and sentiment metrics at trustee level, which are not comparable and risk misinterpretation or perverse incentives.
- Ensure comparisons are descriptive rather than value judgments, so consumers can understand offerings without implying one approach is superior.
- Allow trustee-defined cohorts with brief explanatory notes, rather than a standardised industry-wide approach.
- Leverage existing government data first, improving regulator data-sharing before adding new trustee reporting.

The FSC's position is that the frameworks should be coordinated so data is collected once, limited in scope, genuinely comparable, and delivers meaningful insights without disproportionate compliance costs.

Treasury will use consultation feedback to design the reporting framework dataset. APRA will then consult later in 2025 on a single set of retirement data reporting standards that consolidates supervisory and public reporting requirements ahead of implementation in 2028.

For more information, please contact [Kirsten Samuels](#).

ASIC's Pilot Simplification of IDPS and IDPS-like Scheme Regulation

ASIC recently released Report 813 Regulatory simplification ([REP 813](#)), which explores ideas to simplify regulation and ease regulatory burden. As part of this work, ASIC is conducting a pilot aimed at simplifying the relief provided in relation to investor directed portfolio services (IDPS) and IDPS-like schemes in:

- *ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669*

- *ASIC Corporations (Investor Directed Portfolio Services Provided Through a Registered Managed Investment Scheme) Instrument 2023/668*

ASIC are currently inviting further specific feedback from platform operators on the platforms instrument simplification proposals ([Attachment D to REP 813](#)). Responses are due to [ASIC's Simplification Team](#) by 15 October, 2025.

For more information, please contact [Julia Hukka](#) or [Ashley Davies](#).

SUPERANNUATION PRACTITIONERS GROUP

Contributions V3 and Payday Super Implementation

Focus remains on Contributions V3, with the key concerns being the absence of Payday Super legislation and the risks arising from the closure of the Small Business Super Clearing House. The absence of a Bill, with less than one year until the proposed commencement on 1 July 2026, creates the risk of rushed implementation, increased costs and potential disruption to employers, funds and ultimately members.

The ATO as the lead regulator has been active in leading design and implementation workshops in relation to Contributions V3, a precursor to making SuperStream fit for purpose for when Payday Super becomes effective. However, the ATO is in a similar position to the industry, awaiting the Payday Super Bill before it is able to start the required work with the industry in earnest.

A new ATO SBCH working group, on which the FSC is represented, has been established to help manage communicating this transition, and the SPG will continue to engage closely to ensure risks to superannuation members are mitigated.

For more information, please contact the [SPG team](#).

SPG Payday Super Workshop, 16 October, Sydney

The Superannuation Practitioners Group will hold a Payday Super workshop, designed to bring together practitioners from across the superannuation sector to deliver a standardised approach to Payday Super implementation and to reduce risks for funds, providers, and superannuation members. The workshop aims to:

- Clarify key steps and timelines for Contributions V3 and Payday Super implementation.

- Align on common standards and practices to reduce complexity and risk across the industry.
- Strengthen collaboration between funds, service providers, and regulators to ensure consistent delivery and better outcomes for members.

The event will be on Thursday, 16 October, from 2pm to 5pm, with networking drinks to follow, at the Four Seasons Hotel Sydney, 188 George Street, The Rocks. Tickets are complimentary but registration is required. Attendance is limited to two representatives per company. To register, [click here](#).

ADVICE

FSC Green Paper on Advice Licensing

The FSC continues to welcome submissions from industry and the public in response to our [Green Paper on The Value and Future of Advice Licensing](#). Informed by research from CoreData, the Green Paper invites a broad, forward-looking conversation about how the advice licensing regime needs to adapt to meet today's challenges.

It invites discussion on several proposals that aim to create:

- A recalibrated licensing regime that responds to firm diversity
- Balanced accountability between licensees and advisers that empowers individual practitioners
- Financial resource and other requirements that adequately protect consumers

Feedback collected during this consultation will inform a subsequent FSC White Paper on the Future of Advice Licensing, to be released in 2026.

Consultation on the Green Paper is open until Friday, 21 November 2025 and submissions can be sent to the FSC's [financial advice team](#).

For more information, please contact [Julia Hukka](#) or [Harvey Russell](#).

Delivering Better Financial Outcomes (DBFO) Tranche 2 update

The FSC understands the Government is aiming to release Exposure Draft legislation, containing the remainder of the Tranche 2 reforms, for consultation before the end of the year. This would include the provisions to implement the New Class of Adviser (NCA) and modernised Best Interests Duty as part of a 'Tranche 2b'. As highlighted in

previous policy updates, draft legislation covering the following reforms (Tranche 2a) was consulted on in the first half of this year:

- clarification around which advice topics can be paid for via collective charging in superannuation;
- the legal framework for permitting superannuation nudges (targeted superannuation prompts); and
- the abolition of Statements of Advice and their replacement with a Client Advice Record (CAR).

The broader financial services industry is aligned on the policy intent and benefits to consumers of the Tranche 2 reforms and remains hopeful the legislation can be passed through consensus.

Where there are differences of view on how to deliver on the intent of the reforms, goodwill exists to bring the reforms to a positive conclusion which would balance views on these important design questions. The FSC will endeavor to forge a consensus position amongst industry participants for the benefit of consumers. The FSC continues to engage government and members on the design of the reform package.

For more information, please contact [Harvey Russell](#) or [Julia Hukka](#).

ASIC's limited no-action position on account numbers - fee consent arrangements

Tranche 1 of the DBFO legislation added red tape into the fee consent requirements by requiring a product's account number on advice fee consent arrangements for new accounts. This has introduced significant practical issues for industry given that, for new accounts, fee consent arrangements, including the deduction of ongoing fees from accounts, are often completed at the same time as the application form.

ASIC issued a response to the issue on 6 June in the form a [limited no-action](#) in relation to issues with the inclusion of account numbers in a client's written consent for the deduction, or arranging of the deduction, of ongoing advice fees.

The FSC was pleased that ASIC has provided this limited no-action, however it does not address the underlying practical issues impacting some advisers and product providers/platforms on an ongoing basis, nor does it address the lack of alignment with the policy aims of the DBFO package. Nor did it obviate the obligation for licensees to undertake breach reporting on these incidences.

The FSC (alongside other advice profession associations) has continued to advocate for: a change to the law to address this issue by removing the need to include an account number upfront, and a simpler and more practical response from the regulator.

For more information, please contact [Harvey Russell](#) or [Julia Hukka](#).

TECHNOLOGY & INNOVATION

Consultation for proposed Digital ID rules amendments

The Department of Finance have opened a consultation seeking feedback on the exposure drafts of proposed amendments to the Digital ID Rules 2024 and the Digital ID (Accreditation) Rules 2024, which sit under the Digital ID Act 2024. The exposure draft rules, explanatory statements and a Consultation Guide are available [here](#). The consultation is open until 17 October, 2024.

The FSC is engaging with members to provide feedback on the consultation.

For more information, please contact [Julia Hukka](#).

INVESTMENTS

ASIC releases interim report on private credit

ASIC has released a report on Private Credit in Australia, [REP 814](#), the first interim report from its Capital Markets consultation. The report estimates the market at around \$200 billion and highlights both good practice and areas of weakness across the sector. Key concerns include opaque fee and remuneration structures, related-party transactions, inconsistent valuation practices, liquidity mismatches, and the use of undefined or inconsistent terminology.

ASIC has called for industry associations to lead the development of standards to improve transparency, governance and disclosure. In response, the FSC has welcomed the report and will lead the development of new industry standards, beginning with private credit and expanding to broader private markets as ASIC publishes further findings later this year.

The FSC will shortly begin the process of developing best practice standards through the Private Markets Working Group, focusing on areas ASIC has identified for improvement and standardisation, including valuations, disclosure, conflicts of interest and the use of terminology.

ASIC has indicated further research on other aspects of private markets and a surveillance report will be published in Q4 2025.

For more information, please contact [Aidan Johnson](#).

MIS Regulation update

Following the collapse of high-profile funds *First Guardian and Shield*, ASIC has increased its focus on the regulation of managed investment schemes (MIS) to help prevent similar events in the future. As part of their 2025-26 Corporate Plan, ASIC have committed to enhancing processes for early detection of high-risk managed investment schemes. This was an FSC recommendation as part of the Treasury MIS Review.

The FSC is exploring ways in which industry can contribute to the policy development process in a manner that minimises additional burden on funds while providing the Government and ASIC with confidence that risks are appropriately managed and accounted for through the registration and ongoing surveillance process.

The FSC is currently seeking member feedback to inform this work.

For more information, please contact [Aidan Johnson](#).

Sustainable investment product labels

Treasury has commenced consultation on design principles for sustainable investment product labels. The FSC has lodged its submission, drawing on the model framework developed by the ESG Working Group.

The submission emphasises that a product labelling regime is needed to address the uncertainty created by ASIC's current greenwashing enforcement approach, which has deterred some funds from bringing sustainability-related products to market. Clear and consistent labelling rules would:

- provide issuers with greater legal certainty to develop products with material sustainability-related objectives or features;
- improve transparency for consumers through consistent rules on the use of sustainability-related terms; and
- align Australia's framework with global practice by ensuring interoperability with international labelling regimes.

The FSC has recommended a principles-based approach, supported by regulatory guidance, to ensure the framework is credible, flexible, and adaptable to future developments. The submission also calls for clarity on how labels would apply at both

the fund and product level, and notes that voluntary third-party certification should complement rather than replace regulatory requirements.

Greater transparency over sustainability and ethical claims is critical to assisting consumers in making informed choices while providing issuers with confidence to bring new sustainable products to market.

For more information, please contact [James Young](#).

ASIC Consultation on Regulatory Guide 181

In August, ASIC consulted on proposed updates to its Regulatory Guide: RG181 Licensing: Managing Conflicts of Interest. Specifically, ASIC proposed changes that:

- outline the intended scope and application of the Guide
- update guidance on identifying different types of conflicts
- establish what is involved in having ‘adequate arrangements’ to manage conflicts; and
- outline what effective conflicts management should involve.

The [FSC made a submission](#) focussing on ensuring ASIC’s guidance provided a clear framework of expectations as financial services companies navigating the management of conflicts, and making it clear where legitimate business practices and fees did not constitute conflicts of interest.

For more information, please contact [Kirsten Samuels](#).

Climate Related Financial Disclosures - Advocacy update

Following the release of ASIC’s final Regulatory Guide on climate-related financial disclosures, the FSC has identified several priority issues for members. Key areas of ambiguity remain, including the treatment of platforms, cross-referencing requirements and reporting thresholds.

ASIC has confirmed it will be unlikely for them to approve a class order relief for consolidated reporting at trustee level. In response, the FSC is in the process of preparing a pro forma to assist members with individual relief applications. Draft letters to ASIC and the AASB are also being finalised, the ASIC letter will seek informal feedback on implementation approaches and written confirmation of support for industry-led guidance, while the AASB letter will request clarification or targeted amendments to address outstanding issues.

Depending on regulator feedback, the FSC will review existing FSC guidance notes, including the development of new implementation guidance for members, to ensure they reflect the new legislative and regulatory framework. The FSC is also exploring a joint initiative with the Australian Custodial Services Association to develop a standard for climate data collection.

For more information, please contact [Aidan Johnson](#).

ASIC Consults on regulatory guidance for disclosure

The FSC has provided feedback to ASIC on its consultations covering the remake of *ASIC Corporations (Disclosure of Fees and Costs) Instrument 2015/647* and *ASIC Corporations (Product Disclosure Statements—Delivery of Financial Services Guides) Instrument 2015/649* (together, the 2015 Instruments), as well as proposed updates to *Regulatory Guide 221: Facilitating digital financial services disclosures (RG 221)* and *Regulatory Guide 168: Disclosure: Product Disclosure Statements (and other disclosure obligations) (RG 168)*.

The FSC's feedback emphasised the need for practical and proportionate disclosure rules that improve efficiency for issuers while maintaining transparency for consumers. In relation to RG 221, the FSC highlighted a regulatory gap for platform operators who are excluded from digital publish-and-notify relief, and called for guidance to remain principles-based rather than prescriptive. In particular, the FSC raised concerns about proposals suggesting the monitoring of email opens, which go beyond the requirements of the Corporations Regulations and risk conflating receipt with engagement.

On RG 168, the FSC supported measures to improve the clarity and comparability of Product Disclosure Statements, including requiring clear investment objectives and more accessible liquidity disclosures. The submission also recommended that any adviser-related content removed from RG 168 be incorporated into RG 175 to avoid gaps in guidance.

The FSC welcomed ASIC's engagement and will continue to work with regulators to ensure the final guidance provides clear, consistent information to consumers while avoiding unnecessary compliance burdens.

For more information, please contact [Aidan Johnson](#).

Government consults on climate-related transition planning guidance

Treasury has released a consultation paper on best practice transition planning guidance, a key component of the Sustainable Finance Roadmap. The guidance will set a recommended disclosure framework for transition plans, with final guidance due by the end of 2025.

The paper seeks views on the role of transition planning in supporting climate-related financial disclosures, the principles that should underpin the framework, and the balance between prescription and flexibility. It also canvasses whether sector-specific guidance is needed and provides an illustrative outline of how the final guidance may be structured. Areas for feedback include the definition of a credible plan, the level of detail required on interim targets and financing strategies, and expectations for governance and board oversight.

The FSC is seeking member feedback to inform its submission, which is likely to advocate for a principles-based framework that is interoperable with international regimes, proportionate in application across issuers, and provides clear and practical expectations for both investors and product issuers.

For more information, please contact [James Young](#).

LEGAL, TAX & CROSS-PORTFOLIO

Legal reform options - lead generation

The FSC is seeking member feedback on potential reform options to prevent bad practice in “super switching schemes” that involve conflicted problematic ‘lead generation’ practices. We welcome suggestions as to options for potential legislative changes and/or better regulatory guidance that could help prevent similar failures, while ensuring that legitimate advertising and marketing practices are not inadvertently banned.

ASIC Deregulation and regulatory simplification agenda

ASIC published Report 813 Regulatory Simplification in early September.

The report provides details of current and proposed reform and simplification work that ASIC has been doing and expects to carry out in respect of four areas as follows:

- improving access to regulatory information through improving their website, reviewing their approach to regulatory guidance and introducing sector-based regulatory roadmaps;
- reducing complexity in regulatory instruments through simplifying and consolidating legislative instruments;

- making it easier to interact with ASIC through improving their approach to digital interactions, data requests and management of ASIC forms; and
- simplification through law reform, including reforms to the reportable situations (breach reporting) regime and making substantial holding notice forms easier to navigate and use.

ASIC also wrote to the FSC shortly before the report was released and confirmed it has actioned, or have stated an intention to action, several of the points that the FSC raised with them, including in respect of (i) the Financial Accountability Regime (FAR), (ii) reportable situations/breach reporting framework, (iii) usability of ASIC Portals and Registers, and (iv) transition away from hard copy document lodgements.

The FSC is seeking member feedback as to further suggestions for ASIC to engage in regulatory simplification beyond what they have currently committed to in REP 813 and be more ambitious with its commitments and recommendations.

Exchange of letters between the Treasurer and regulators

The exchange of letters between the Treasurer and regulators was also released in the first week of September. The Treasurer noted that Government is cutting red tape where they responsibly can, to ease the burden on businesses and consumers and make the economy more prosperous and productive.

The Treasurer outlined plans to:

- Alter statements of expectations for Commonwealth regulators to emphasise the reduction of red tape and a better balance between outcomes and risk.
- Progress the 'tell-us-once' principle on how individuals and businesses engage with the government, to remove frustrating duplicative processes.
- Conduct deep dives for priority sectors to streamline regulation.

ASIC noted various areas they intend to progress, including in respect of RG97, potential class order relief, thematic surveillance activities, the FAR, the Regulatory Initiatives Grid process and private markets.

APRA also noted a number of action points, including with regards to data reporting, the Performance Test, the FAR and considering further ways to streamline enforcement action, such as extending existing infringement notice provisions.

The FSC will continue to engage on these processes with Government and the regulators.

Modern Slavery Act 2018 review recommendations

The Attorney-General's Department (AGD) has released a [consultation paper](#) on implementation of the Government's response to the statutory review of the Modern Slavery Act 2018, which accepted 25 of 30 recommendations from the review.

Responses to the consultation will assist in shaping future changes to the framework, including on mandatory reporting criteria and compliance issues. The FSC worked with members to prepare a submission, where we noted general support for improving disclosure and transparency while being careful not to unduly increase the regulatory burden or impose disproportionate operational challenges on reporting entities.

For more information, please contact [James Young](#).

Anti Money Laundering and Counter-Terrorism Financing

New AML/CTF Rules

AUSTRAC published final Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1), (Rules) on 29 August 2025.

The new Rules are intended to provide current and future reporting entities with more detail on their AML/CTF obligations, allow them greater flexibility in how they meet their obligations, reduce regulatory impacts and support them to better detect and prevent financial crime.

The FSC has also been working with AUSTRAC and members on draft Guidance published in connection with the new Rules, with submissions on both Batch 1 Core Guidance and Batch 2 Core Guidance. It is expected that the core Guidance materials will be finalised by October 2025.

The FSC is discussing the impact of these final rules with members.

Consultation on draft OAIC AML/CTF privacy guidance

The Office of the Australian Information Commissioner (OAIC) is working in consultation with AUSTRAC to update guidance on Privacy Act obligations under the anti-money laundering and counter-terrorism financing (AML/CTF) framework, to support tranche 2 entities and current reporting entities understand these requirements.

The OAIC's draft updates to the AML/CTF privacy obligations web pages includes guidance on:

- how the Privacy Act applies, including to small business reporting entities
- collecting, using and disclosing of personal information for AML/CTF Act obligations

- developing privacy policies and notices
- ensuring accuracy of, and correction of, personal information collected under AML/CTF obligations
- reasonable steps to secure personal information and destroying or de-identifying personal information that is no longer needed.

Consultation on Proliferation Financing Regulations

The Department of Home Affairs is undertaking consultation on a draft consultation paper for proposed Proliferation Financing Regulations.

Item 12 of Schedule 1 of the Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024 inserts a new definition of proliferation financing, which empowers the Minister for Home Affairs to prescribe offences that form part of mandatory proliferation financing considerations under the AML/CTF regime. The Department is proposing to prescribe a range of offences that will give effect to this definition.

The FSC has been invited to provide comments in respect of these matters.

Design and Distribution Obligations

The FSC convenes the DDO Working Group on an ad hoc basis to discuss relevant industry implementation concerns. Members have been interested in the recent Firstmac case and discussing the potential ramifications for their operational processes, practices and procedures.

The FSC met with ASIC and Treasury to discuss the Firstmac case and outline member concerns as to how to fulfil their reasonable steps obligations, in particular in respect of the provision of product disclosure statements and general advice.

The FSC is also advocating for other reforms to the DDO, including considering changes to the definitions of Excluded Conduct and Retail Product Distribution Conduct.

For more information, please contact [Ashley Davies](#).

Public Country-by-Country Reporting exemptions

The ATO issued draft guidance ([PS LA 2025/D1](#)) on exercise of the Commissioner's discretion to provide full or partial exemption from reporting requirements under the public Country-by-Country Reporting framework for a single period.

Members raised concerns that implementation of the exemption should apply to commercially sensitive information where its release would lead to significant harm while providing minimal benefit to transparency objectives.

These concerns were reflected in a submission that the FSC made to the ATO in early September.

For more information, please contact [James Young](#).

Update to Standard 1: Code of Ethics & Code of Conduct

The FSC has recently reviewed and reformatted [Standard 1: Code of Ethics & Code of Conduct](#), which can be found on the FSC website for easy reference. Changes relate to:

- The removal of the appendices and the creation of two separate information sheets: [Compliance with FSC Standards](#) and [FSC Standard setting procedure](#).
- The obligations within Standard 1 have been broken down and realigned to sit within the basic ethical and conduct principles, making it easier for members to understand their obligations.

FSC COMPLIANCE ATTESTATIONS DUE 30 SEPTEMBER 2025

Full members are reminded that FY25 attestations for compliance with FSC Standards are due at the end of September. Please contact the [Company Secretary](#) if you have any questions on your lodgement.