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FSC Policy Update - Issue 88 - 4 December 2025

Welcome to Issue 88 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

Payday Super Legislation Passes Parliament

The [Payday Super legislation](#) passed Parliament without amendment. The Government is now committed to passing associated regulation before the commencement date of 1 July 2026.

The Superannuation Practitioners Group will continue to lead the FSC's work on implementation of Payday Super, with the focus on the delivery of final documentation, gauging industry readiness, and liaising with the ATO.

The legislation intentionally left out the proposed changes to the advertising of superannuation products on onboarding platforms. The Government is dealing with these matters separately (see update below).

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

Advertising at Onboarding Legislation Introduced to Parliament

On 26 November, the Minister introduced the [Treasury Laws Amendment \(Supporting Choice in Superannuation and Other Measures\) Bill 2025](#) to Parliament, Schedule 2 of which intends to place conditions on the advertisement of superannuation funds to employees during workplace onboarding.

The Bill creates a new *Corporations Act* prohibition on advertising or making statements about superannuation products targeted to a new employee between the time they accept an employment offer and the time the employer first meets their choice-of-fund obligations. It applies where the content is not publicly accessible and where the communication could reasonably induce the employee to choose a particular product.

The Bill provides three key exceptions to this ban:

- where the product is the employee's stapled fund;
- where the product is the employer's default fund listed on the standard choice form;

- where the communication relates solely to a MySuper product that meets additional timing, performance and disclosure conditions.

The measure is scheduled to commence 1 July 2026 and is still sitting with the House of Representatives.

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

Compensation Scheme of Last Resort (CSLR)

In November, the CSLR Operator released the [initial CSLR estimate for FY2027 \(the 4th levy period\)](#) amounting to \$137.5m, with \$126.85m attributable to the personal advice subsector. The revised estimate, which we expect to be released between April-June 2026, is likely to be much higher than this initial estimate, driven by:

- 1) The impact of potential Shield and First Guardian-related claims; and,
- 2) AFCA's improving claims processing efficiency

The Minister will be holding a roundtable with key industry stakeholders to discuss the outcomes of the special levy consultation as well as options for reforming the CSLR.

One of the FSC's key recommendations to the special levy consultation was that a decision on the special levy should not be made without providing industry with the confidence that the scheme would be reformed and made sustainable. The FSC has also recommended that the special levy be spread as broadly as possible to reduce further burden on the advice sub-sector, and unduly burdening any single sector. Throughout the consultation process, the FSC has maintained its view that the scheme should not be used to underwrite investment losses given the moral hazard involved in doing so. Therefore, the FSC has argued that the CSLR should not be expanded to include managed investment schemes.

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

Financial Adviser Professional Standards - Alternate Qualification Pathway

The Senate Economics Legislation Committee reported on the [Treasury Laws Amendment \(Strengthening Financial Systems and Other Measures\) Bill 2025](#). This contains a technical amendment relevant to the qualification standards for financial advisers to correct a drafting error 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 standard ('alternative qualification pathway').

The FSC made a [submission](#) to the inquiry into the Bill which was supportive of the amendment. The Committee has recommended that the Bill be passed in its current form. Following this, on 27 November the Senate passed the Bill, which now awaits Royal Assent. The FSC understands this now means the arrangements for existing advisers transitioning to the new qualification standard on 1 January 2026 continue to operate as originally expected.

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

Beneficial Ownership Register

Legislation to implement a public beneficial ownership register for corporations has been introduced to Parliament in Schedule 1 of the [Treasury Laws Amendment \(Strengthening Financial Systems and Other Measures\) Bill 2025](#). Following a short inquiry by the [Senate Economics Legislation Committee](#), the legislation was passed by Parliament on 27 November 2025 with no further amendment.

The FSC made a [submission](#) to the Committee inquiry focusing on concerns around the unnecessary regulatory burden from application to interests in cash-settled equity derivatives.

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

SUPERANNUATION

Treasurer Commits to Re-examining Annual Performance Test

Treasurer Jim Chalmers has committed to returning to the unfinished consultation on the annual performance test.

Early in 2024, [Treasury commenced consultation](#) on the performance test with a view to making it easier for superannuation funds to invest in areas of national priority such as housing or the net zero transition. Although the consultation period closed, there was no consensus before the election, and the matter was placed on indefinite hold.

The Treasurer has now committed to returning to talks with superannuation funds, stating that he would like to future-proof the test and he does not want to water it down.

The FSC has put forward constructive proposals around a CPI + X benchmark for emerging assets, has maintained its concerns about proposals to expand the test to retirement products and externally directed products, and continued to express concerns about proposed changes to the fee component that would not be in consumers' best interest.

Consultation has commenced with a closed group of investment experts from a selected group of superannuation funds, with the aim of achieving consensus around reforms to the performance test. The FSC will remain close to the consultation and update members as it progresses.

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

Platform Investment Governance - APRA's letter to Platform Trustees and Minister for Financial Services Expectations

Platform investment governance is a key policy priority in the wake of the Shield and First Guardian collapses.

In October, APRA issued a [media release](#) and [formal letter](#) to platform trustees setting out the key findings and required actions following their thematic review of investment governance practices across the superannuation platform sector. Key takeaways include:

- Trustees should strengthen how they assess and approve new investment options for onboarding, including use of a range of external and internal ratings, and the identification and management of potential and actual conflicts of interest.
- Trustees should adopt more effective triggers, reporting, escalation and oversight mechanisms across investment options as part of their ongoing monitoring framework.
- Trustees should improve processes that enable transparent, timely frameworks for remedial action and member transfers where investment options fail to deliver for members.

The letter also outlined what APRA observed as 'weaker practices' and 'current better practices' across onboarding, ongoing monitoring, and remedial action/member transfers. Based on the findings of this review, APRA is now providing each in-scope platform trustee with an individual assessment letter and escalating supervisory intensity as required.

The FSC has been working closely with members on the development of best practice principles for investment and adviser governance on wrap superannuation platforms, reflecting best practice when operationalising existing legal obligations. The Minister for Financial Services has issued a [media release](#) welcoming APRA's thematic review and providing public support for the work of the FSC in developing the platform best practice principles.

The FSC continues to actively engage with Government, regulators and industry on achieving a common understanding of best practice, with a view of finalising the best practice principles in the first half of 2026.

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

Government Announces Change in Direction for High-Balance Tax, Improvements to Low-income Superannuation Tax Offset

In October, the Treasurer announced a new direction for the proposed tax on high superannuation balances. Specifically, he noted that:

- The previously proposed high-income threshold of \$3M will be indexed, earnings on balances above this amount, up to a balance of \$10M, will be taxed at 30 per cent
- The start date will be pushed back by one year (to 1 July, 2026) to consult on final details
- A second indexed threshold of \$10M will be introduced, with earnings above this threshold to be taxed at 40 per cent
- The proposed changes will apply to “realised earnings”, which the FSC is seeking further information about

The Treasurer also announced changes to the low-income superannuation tax offset (LISTO):

- The eligibility threshold will rise to \$45,000 from 1 July 2027; and
- The LISTO itself will be increased by \$310 to \$810

Both the FSC policy secretariat and the Superannuation Practitioners Group will work with Government to shape the policy to ensure that it is workable for industry.

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

APRA Releases Response to Board Governance Review

In October, APRA released the [high-level themes and next steps](#) for its Board Governance Review work. The [original consultation](#), run earlier in 2025, proposed several changes across APRA’s various governance standards including a hard 10-year tenure limit for board members, changes to be inserted into the Standard relating to fit and proper, and a requirement to consult with APRA during board recruitment.

APRA’s updated approach has incorporated many of the FSC’s recommendations, including:

- Making the tenure limit 12 years instead of 10 plus a discretionary extra 2 years

- Not proceeding with the proposed requirement for early engagement on board appointments. It will still be considered best practice to discuss board recruitment with APRA through the supervisory relationship
- Clarifying that any skills matrix created to assist with board recruitment and development be for the board as a whole and not for individual directors
- Placing expectations around managing perceived conflicts of interest into guidance, rather than a Standard

APRA expects to provide draft Standards for comment in Q2 2026 but has asked the FSC to continue to engage during the drafting process. The FSC is working with the Superannuation Policy Experts Group to manage these interim discussions.

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

ASIC Releases Retirement Communications Report

ASIC has released its report into retirement communications: [*Report 818 From superficial to super engaged: Better practices for trustee retirement communications*](#). This is part of ASIC's review of the implementation of the Retirement Income Covenant (RIC).

Some of the report's key findings include:

- Communications prioritise product promotion and member retention instead of providing information about retirement
- Retirement communications should be better tailored to member needs using member cohorts and nudges. ASIC observed that communications were much more likely to be targeted to accumulation than decumulation
- Communications should be routinely evaluated based on success metrics and feedback loops
- There was also significant commentary about the lack of tailored communications supporting First Nations, vulnerable and Culturally and Linguistically Diverse customers

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

ASIC Releases Financial Reporting and Auditing Report

In September, ASIC released its first [report](#) into superannuation fund's financial reporting and audits. The report is the first in a series of three and focuses on the valuation and disclosure of investments and expenses.

On valuation and disclosure of investments, ASIC found that there were varying approaches to categorising unlisted investments, and there was often limited disclosure.

On expenses, the report specifically notes that sponsorship and advertising expenses were not separately disclosed, and some reports took a narrow approach to materiality.

The report also notes that auditors are not doing enough to obtain sufficient evidence that provides reasonable assurance about investment valuations in the Registrable Superannuation Entity (RSE) financial reports.

The FSC is aware that there is ambiguity around the issue of materiality and is engaging with large audit firms and industry to understand where there are legitimate concerns.

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

Upcoming APRA Consultation on Targeted Changes to CPS 230 for Non-traditional Service Providers

Before the end of the year, APRA intends to consult on targeted amendments to [CPS 230 Operational Risk Management \(CPS 230\)](#). This follows industry feedback highlighting challenges when applying the new standard's contractual obligations to arrangements with non-traditional service providers (NTSPs).

The proposed amendments will clarify APRA's expectations for these arrangements, particularly around contract uplift and service level monitoring. The changes aim to streamline processes for regulated entities and alleviate regulatory burden, while ensuring a practical prudential framework that enhances resilience across the financial system. All other risk obligations under CPS 230 will remain unchanged.

APRA will run an accelerated policy process, including a one month consultation period, to finalise the targeted changes before 1 July 2026, ensuring a smooth transition and regulatory balance.

The formal consultation is yet to commence. When it does, the FSC will engage the Superannuation Policy Experts Group and CPS230 Implementation Working Group to craft a submission to this consultation.

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

APRA's Proposed Class Exemption: Approval to Own or Control an RSE licensee

APRA has released for consultation a [draft class exemption](#) that would remove the need for certain individuals to apply for approval under the SIS Act's change-of-ownership and control provisions. To reduce regulatory burden, APRA is proposing to exempt management employees and company secretaries with a direct controlling interest of less than 2% from having to apply for approval.

APRA are inviting feedback on these proposals until 16 December 2025. The FSC will work with the Superannuation Policy Experts Group to craft a submission to this consultation, if there is sufficient interest.

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

APRA Commences Second Round of Consultation on Modifications to its Capital Framework for Longevity Products

In October, APRA commenced a [second round of consultation](#) in relation to the capital settings for longevity products.

This follows the earlier consultation paper from June, which outlined changes seeking to address two key issues:

1. The relatively conservative capital requirements currently imposed, and
2. Insufficient risk sensitivity potentially exacerbating procyclicality

APRA has now made proposed updates to the prudential standards LPS 112, LPS 114, *Prudential Standard LPS 360 Termination Values, Minimum Surrender Values and Paid-up Values* (LPS 360), CPS 320 and CPS 001.

The updated proposal supports a more principles-based approach to the illiquidity premium, including product eligibility under the revised framework. Further, APRA states that the accompanying risk controls have been adjusted to be more proportionate in some areas, including the Appointed Actuary's attestation and cashflow matching requirements to support a more adaptive approach as the market matures. The amended standards are expected to take effect from 1 July 2026.

APRA are inviting feedback until 17 December 2025. The FSC will work with the Superannuation Policy Experts Group and the Retirement Policy Working Group to develop a submission,

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

ASIC Releases Public Consultation on Changes to Stamp Duty Treatment of Stamp Duty for RG97

ASIC has advanced its review of *Regulatory Guide 97 Disclosing fees and costs in PDSs and periodic statements* (RG97), outlining a preferred approach for how stamp duty should be disclosed in superannuation products. After weighing several options, ASIC has proposed the sensible approach of smoothing stamp duty over a longer period rather than reporting it as a large one-off cost in the year it is incurred.

Smoothing would better reflect the long-term cost profile of property investments while maintaining transparency for consumers and improving comparability across products.

The FSC supports this approach, noting that stamp duty is a genuine transaction cost that should remain visible to members.

ASIC also announced that they would be bringing forward their more wholesome review of RG97 to the 2026-27 financial year which will provide industry with an opportunity to provide feedback broader to the limited proposed changes to stamp duty disclosure.

The FSC will continue working with ASIC as consultation progresses to ensure any refinements to RG97 are transparent, workable and aligned with consumer interests.

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

ADVICE

Delivering Better Financial Outcomes (DBFO) Tranche 2 update

The FSC understands the Government may still 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'. The Assistant Treasurer made a nod to the impacts of the Shield and First Guardian failures, acknowledging the already complicated reforms have been exacerbated by 'recent developments'.

The broader financial services industry is aligned on the policy intent and benefits to consumers of the Tranche 2 reforms. Where there are differences of view on how to deliver on this intent, the FSC will endeavour to forge a consensus position amongst industry participants and continue to engage Government.

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

ASIC to Review Compliance of Managed Accounts Sector

In October, ASIC Commissioner Alan Kirkland indicated, as part of the regulator's corporate plan focus on improving outcomes for consumers, the regulator would conduct a review of compliance in the managed accounts sector, citing its growing size and influence.

ASIC's review will focus on Australian Financial Services Licensees (AFSLs) and advisers who recommend or offer managed accounts to retail clients. It will examine how licensees are managing compliance with their general obligations and how advisers are complying with their obligations to act in the best interests of their client and provide appropriate advice when recommending managed accounts. This will

include looking at what conflicts are present and how they are being addressed. Commissioner Kirkland said ASIC wanted to understand the efficiencies of managed accounts as opposed to advising on individual managed portfolios, how the efficiencies are being realised and who is capturing the value from the efficiencies.

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

ASIC REP 824 - Report on SMSF Establishment

In November, ASIC released [Report 824](#) on its *Review of Self-Managed Superannuation Fund (SMSF) establishment advice* following the completion of surveillance activity in this area. The report has been informed by a risk-based targeted review of advice files relating to SMSF establishment advice looking at both adviser and licensee conduct with the aim of understanding why some retail clients are advised into SMSFs even though it may not be suitable for them.

The review used a small, targeted review of 12 licensees and 27 advisers which reviewed 100 SMSF establishment advice files. The selection model covered a range of advice licensee sizes and business models, although the sample was not selected with the intention of being random or representative of the financial advice sector. Over half the files involved a direct property purchase and half involved a limited recourse borrowing arrangement.

ASIC identified concerns about the quality of some SMSF establishment advice provided to retail clients and a lack of oversight by licensees. This included potentially harmful conduct from a small subset of advisers. Some examples of good quality advice were also identified.

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

ASIC Report - Review of Offshore Outsourcing - Financial Advice Licensees

In October, ASIC released a short [report](#) detailing the findings of its review of offshore outsourcing. This covered 10 licensees with financial advice businesses of varying sizes who use Offshore Service Providers (OSPs) through an intermediary. More than 300 representatives within those licensees used OSPs during the last 2 years. ASIC conducted an end-to-end review of policies, processes, practices and other risk management arrangements of the selected licensees for their:

- Onboarding due diligence of OSPs
- Monitoring and supervision of the ongoing performance of OSPs, and
- Cyber arrangements to protect personal and sensitive client information

The review also included engagement with six intermediary businesses offering offshore outsourcing solutions to Australian advice businesses to understand the services and infrastructure they offered and their cyber security arrangements.

ASIC observed the quality of risk management arrangements in relation to the use of OSPs varied across the licensees, with improvements in different areas required for each. Licensees should have sufficient skills to independently identify material risks and assess an OSP's performance and ongoing suitability, regardless of whether the licensee (or their representatives) access OSPs directly or through an intermediary. A range of further, specific observations on policy, procedure and practice for financial advice businesses were also detailed in the report.

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

FSC Green Paper on the Value and Future of Advice Licensing

The FSC released a [Green Paper](#) examining the case for reforming Australia's financial advice licensing framework to better protect consumers, support a diverse and professional advice sector, and ensure the regulatory model remains fit for purpose in a changing environment.

The paper 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.

The consultation period for then Green Paper concluded on 21 November. Industry and public feedback will inform the FSC White Paper on the Future of Advice Licensing, to be released in 2026.

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

TECHNOLOGY & INNOVATION

Amendments to Digital ID Rules following Consultation

Following public consultation on proposed updates to the *Digital ID Rules 2024* and the *Digital ID (Accreditation) Rules 2024*, the Minister for Finance has now made amendments.

These instruments, along with their explanatory statements, were lodged on the Federal Register of Legislation and commenced on 19 November 2025. The updated legislative instruments are:

- [Digital ID Amendment \(Redress Framework and Other Measures\) Rules 2025](#)
- [Digital ID \(Accreditation\) Amendment \(PSPF and Other Measures\) Rules 2025](#)

Key changes introduced by these amendments include:

1. Establishing a redress framework to support individuals affected by cyber security and Digital ID fraud incidents relating to accredited services within the Australian Government Digital ID System (AGDIS)
2. Updating the protective security requirements for accredited entities to align with the latest Protective Security Policy Framework (PSPF) release and limiting its application to non-corporate Commonwealth entities (NCEs)
3. Introducing a 7-year maximum expiry period for express consent given to an Accredited Service Provider by individuals acting on behalf of a business, while retaining the 12-month maximum period for personal use
4. Deferring by 12 months the obligation for transitioned accredited entities to suspend and resume an individual's Digital ID at their request
5. Providing a streamlined application process for Government relying parties participating in the AGDIS after a machinery of Government change
6. Authorising the Digital ID Data Standards Chair to use the Digital ID Accreditation Trustmark

Further details are available in the Department of Finance's [Consultation Outcomes paper](#).

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

INVESTMENTS

ASIC Releases Response to Consultation on Capital Markets

ASIC has released its [full suite of reports](#) responding to the Capital Markets Discussion Paper, setting out a clear regulatory roadmap for the next 12 to 18 months and reinforcing its expectation that private-market managers deliver measurable improvements in governance, valuation and disclosure practices.

The package includes the Private Credit Surveillance Report ([REP 820](#)), Private Market Data and Transparency Report ([REP 821](#)) and the Capital Markets Roadmap and consultation response ([REP 823](#)). ASIC highlighted mixed practices across the sector and confirmed that industry-led standards are expected, with regulatory intervention considered if progress is not demonstrated.

ASIC also signalled potential law-reform priorities, including enhanced reporting obligations for wholesale funds, notification requirements for wholesale schemes and updated wholesale client thresholds. A new data-collection pilot will begin in FY2026–27 to test future reporting frameworks.

The FSC is leading the development of Private Markets Best Practice Standards, beginning with private credit through the Private Markets Working Group. The standards will focus on uplift in:

- valuation governance
- fee and cost transparency
- conflict-management controls
- liquidity and leverage settings, and
- governance, oversight and investor communication

A draft Standard will be released for member consultation in early 2026, with finalisation targeted by mid -2026 to align with ASIC's 18-month improvement window.

The FSC will continue regular engagement with ASIC during development.

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

Managed Investment Scheme Registration Reform

The FSC is advancing its work on potential reforms to the Managed Investment Scheme (MIS) registration framework in light of increased Government and regulatory focus following recent fund failures. The Government is interested in whether the current process provides ASIC with adequate visibility of risk at the point of registration.

The FSC is working with members to shape a set of practical, proportionate reforms for Government consideration. These include clarifying the information Responsible Entities should provide at registration, improving transparency around valuation and liquidity frameworks, and introducing risk-based indicators to help ASIC identify higher-risk schemes early without increasing registration timeframes for trusted industry participants.

This work aims to strengthen the registration process while preserving competition, supporting innovation and maintaining a diverse investment landscape. The FSC will continue engaging with Treasury and the Government as the policy process progresses.

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

Foreign Investment Framework Reform

Treasury is consulting on [proposed changes to the Foreign Investment Framework](#) that will streamline the scheme by focusing on higher-risk proposals while reducing delays to investments with a lower risk profile. Submissions are being received until 12 December 2025.

The FSC has long advocated for low-risk passive investments made by trusted global investors to be exempt from the framework, creating a more level playing field and boosting competition and choice for Australian investors. This consultation is a positive development in response to this advocacy. A submission will be developed to support positive steps to reduce the regulatory burden, while making recommendations on effective implementation.

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

ACCC Merger Notification Reform

A [new regime for merger control](#) is to commence from 1 January 2026, which will require businesses making acquisitions that meet the relevant thresholds to notify the ACCC and await approval before proceeding with the arrangement.

The FSC is engaging with Government and regulators, including through a targeted consultation process for a ministerial determination, for further detail on the operation of this regime, such as what exemptions would apply to it, in the financial services context, ensuring impacts on regular industry activity are appropriate and proportionate to risk.

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

ESG and Sustainable Finance

The FSC continues to engage with Treasury and regulators on aspects of the Sustainable Finance Roadmap, including implementation of the climate-related financial disclosures regime and development of sustainable investment product labels. Consultations have also recently been held on [transition planning](#) and amendments following the statutory review of the [Modern Slavery Act](#). Members will have further opportunities to input into these processes as developments occur.

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

ASX Listing Rules Consultation

ASX have released a [public consultation paper](#) on changes to the Listing Rules, focusing on four main areas: shares under a regulated takeover or merger; dual listed companies changing foreign exemption status or delisting; and significant changes to the nature or scale of company activities.

Submissions can be made until Monday 15 December 2025.

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

LEGAL, TAX & CROSS-PORTFOLIO

Reforms to Address Harmful Lead Generation and 'Super Switching' Concerns

In the wake of the First Guardian and Shield Collapses, the Minister and regulators have signalled that a key priority is consideration of law reform options to address 'super switching' that is not in the best interest of individuals.

The FSC has worked with members to develop a menu of targeted regulatory reform options that would address gaps in the regulatory framework revealed by the collapses. These proposals seek to prevent bad practice in "super switching schemes" by addressing harmful lead generation practices, without inadvertently prohibiting legitimate advertising and marketing activity or undermining legitimate financial advice provision and consumer choice. The FSC will continue to engage with members and Government as policy development continues.

For more information, please contact [Bronwyn Allan](#).

Deregulation and Regulatory Simplification Agenda

The Treasurer has requested that the Council of Financial Regulators (Treasury, ASIC, APRA and the ATO) provide advice on areas where meaningful red tape reduction can be undertaken. The CFR is undertaking a process to identify areas where regulators can act now (without law reform being required), as well as proposing to Government a longer-term legislative program where red tape reduction can be achieved in areas where regulatory burden provides no clear consumer or regulatory benefit.

The CFR has also commenced with exploring the streamlining of data collection and information sharing. In response to a request from the CFR, the FSC has consulted with members on problematic areas of data duplication. Our feedback has been submitted, outlining concrete examples of where duplication occurs and proposals for rationalisation. The FSC has also been invited to participate in a superannuation focused workshop in December (co-led by ASIC and APRA) to discuss the examples specifically impacting the superannuation sector.

As part of ASIC's specific work on regulatory reduction, 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:

- 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 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 submitted feedback on Report 813 in October outlining further suggestions for ASIC to engage in regulatory simplification beyond what they have currently committed to. To supplement this individual submission, the FSC is working with other associations to identify areas of common concern, to assist ASIC in identifying where there is clear consensus across the sector.

Within the ATO's scope of work, the Board of Taxation have commenced a review to identify unnecessary compliance burdens and regulatory impacts from the tax system. This [red tape reduction review](#) will identify measures that are substantial, material, measurable and directly support productivity, while maintaining fairness and integrity and being revenue neutral. It is due to report by 30 June 2026. As part of the process, the Board hosted consultation sessions with key industry participants. The FSC participated and raised significant priority issues for fund managers, including burdensome or unnecessary reporting requirements and inefficiencies in tax administration. The FSC will also develop a submission as part of the consultation, with submissions open until 15 December 2025.

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

Extended Transitional Relief for Foreign Financial Service Providers (FFSPs)

The Government's Bill to establish a new AFS licence exemption regime for Foreign Financial Service Providers lapsed with the dissolution of Parliament before the last election.

The Government still plans to reintroduce this. However, as it is unlikely the Bill could be passed and commenced before the expiry of ASIC's current relief (31 March 2026), ASIC is planning to extend their transitional relief for a further 12 months (until 31 March 2027).

For more information, please contact [Bronwyn Allan](#).

Anti Money Laundering and Counter-Terrorism Financing

New AML/CTF Rules

AUSTRAC published final [Anti-Money Laundering and Counter-Terrorism Financing Rules](#) in August. 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 requirements for current reporting entities come into force on 31 March 2026. The requirements for newly captured entities (including real estate agents, accountants and lawyers) come into force on 1 July 2026.

The FSC worked with AUSTRAC and members on draft Guidance published in connection with the new Rules. [Guidance](#) for current and new reporting entities was published in October, with specialist guidance expected to follow in December.

The FSC is discussing the impact of these changes with members and preparing to update our associated customer identification forms.

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.

The FSC provided a submission to OAIC at the end of September.

For more information, please contact [Bronwyn Allan](#).

Breach Reporting Dashboard

In September, ASIC published a [feedback summary](#) on breach reporting and outlined its approach to publishing two public-facing dashboards containing Internal Dispute Resolution (IDR) and Reportable Situations (RS) data.

The [new RS dashboard](#) – an interactive platform hosting information on licensees’ self-reported breaches – was launched at the end of October. ASIC decided not to proceed with its initial proposal to publish firm-level RS data, instead only publishing aggregate-level RS data. This was in response to submissions, including from the FSC, which asserted the publication of firm-level data could incentivise under-reporting, lead to reputational consequences for the industry, and impose regulatory burden/cost that may not translate into consumer benefit.

The IDR dashboard is expected to be published later this year.

For more information, please contact [Bronwyn Allan](#).