



ASIC
Australian Securities &
Investments Commission

Australia's public and
private markets

Advancing Australia's evolving capital markets: Discussion paper response report

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About this report

On 26 February 2025, ASIC released a [discussion paper on Australia's evolving capital markets exploring the shifting dynamics between public and private markets](#) in Australia. It highlighted issues such as declining public listings, rapid growth in investment capital allocated to private markets, and the growing significance of superannuation funds.

The paper outlined preliminary views on the opportunities and risks in public and private markets and invited feedback based on eight foundational questions.

This report responds to the feedback received, addressing the questions posed.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents: consultation papers, regulatory guides, information sheets and reports.

Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply rules or requirements.

CONTENTS

FOREWORD	4
EXECUTIVE SUMMARY	6
PRIVATE MARKETS	6
DATA REPORTING AND TRANSPARENCY	7
SUPERANNUATION	8
PUBLIC MARKETS	8
ASIC'S ROADMAP FOR THE NEXT 12-18 MONTHS	10
PROGRESS SINCE THE RELEASE OF ASIC'S DISCUSSION PAPER	12
ASIC'S RESPONSES TO THE DISCUSSION PAPER'S FOUNDATIONAL QUESTIONS	13
1 - PRIVATE MARKETS	16
1.1 - PRIVATE MARKETS	16
2 - DATA REPORTING AND TRANSPARENCY	32
2.1 - DATA REPORTING AND TRANSPARENCY	32
3 - SUPERANNUATION	35
3.1 - SUPERANNUATION	35
4 - PUBLIC MARKETS	40
4.1 - PUBLIC MARKETS	40
4.2 - MARKET OPERATIONS	43
4.3 - LISTING FRAMEWORKS - REGULATORY SETTINGS	45
4.4 - CORPORATE GOVERNANCE	47
4.5 - BOND MARKETS	49
APPENDIX A: INTERNATIONAL REGULATORY DEVELOPMENTS	51
APPENDIX B: ACCESSIBLE VERSIONS OF FIGURES	54
APPENDIX C: KEY TERMS	57

Foreword

🔗 Australia is one of the most attractive and competitive places in the world to invest, but we cannot be complacent. To keep pace with evolving investor needs, our markets must embrace new technologies and become more innovative. Regulation needs to do the same. 🔗

The Australian Securities and Investments Commission (ASIC) wants vibrant markets.

Vibrant markets are good for growth. Good for jobs. And good for Australia.

A goal critical to our mandate is to promote a financial system that is fair, strong and efficient.

Australia, like other jurisdictions, is grappling with forces that are rapidly and profoundly changing financial markets. Innovations like artificial intelligence (AI), tokenisation, quantum computing, and new access channels are reshaping the landscape – and not in some far-off future. They are reshaping it now.

We must adapt and innovate.

Competition for capital and quality investments continues to intensify around the world. Australia should be ambitious – we should court this capital and investment.

As a nation, we can take advantage of our strengths, including the scale of our \$4.3 trillion total superannuation industry, the resilience of our \$5.5 trillion banking system, and the integrity of our \$3.3 trillion public equities markets.

As superannuation inflows and economic growth expand public and private markets, we will see more growth in private equity, infrastructure and credit. How issuers and investors allocate capital will shape risk, liquidity, and outcomes across the economy.

We must also be mindful of risks that undermine confidence – whether these risks relate to conduct, capital availability, economic cycles, geopolitical instability or trade conditions.

Australia needs both private and public markets. And we need them to be strong and well-functioning.

Private credit is a growing and welcome part of Australia's financial system, supporting business expansion and holding enormous potential for the future.

However, private credit at current volumes is untested in a stress scenario and we are already seeing wide variance in practices across the sector. We must learn from previous crises and act to avoid future disruption.

We want to be a backer, not a blocker of investment and capital.

Private credit is good for the economy when done well. Doing it well requires strong foundations for sustainable growth and investor confidence.

While ASIC does not set the risk profile for investors, we do set the tone. We will continue to shine a light on poor conduct and guide participants to lift their practices. We will continue to hold them to account when they fall short, especially as more retail investors dive into investing to grow and diversify their wealth.

But we do have a key disadvantage: material gaps in the data we can access. The data we do have lacks the breadth, depth and frequency needed to confidently supervise private capital funds. We need visibility of wholesale fund and consistent, recurrent data across the wider funds management sector.

As stakeholders and market participants have seen in the consultation process we have led this year, ASIC faces the task ahead as a keen collaborator. Australia deserves a financial system that will thrive into the future and that means doing more.

Markets don't run on autopilot.

They require thoughtful stewardship, active choices about guardrails, space for ideas to flourish and opportunities for innovation.

The feedback we received on our [February discussion paper](#) shows we asked the right questions. It has helped shape a regulatory roadmap that will drive confident and informed participation in our markets.

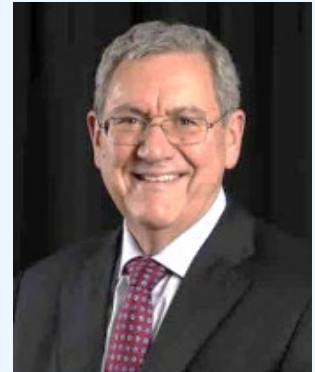
The roadmap set out in this document is not the finish line – it's the launchpad. It is our chance to act boldly and seize the opportunities before us.

Together, we can shape a financial system that empowers Australians – today and for generations to come.

Joseph Longo

Chair

Australian Securities and Investments Commission



Executive summary

ASIC supports strong, well-functioning private and public markets that fuel Australia's growth and promote confident, informed participation by investors and businesses.

On 26 February 2025, we released a [discussion paper on Australia's evolving capital markets, which explores the shifting dynamics between public and private markets](#). It highlighted issues such as declining public listings, rapid growth in investment capital allocated to private markets, and the growing significance of superannuation funds.

The paper outlined preliminary views on the opportunities and risks in public and private markets and invited feedback based on eight foundational questions. This report responds to the feedback received, addressing the questions posed.

Australia has a reputation as an attractive place to invest – we have stability, strong institutions and rule of law. By understanding the changes we are seeing in public and private markets, we can continue to promote confident and informed participation in the economy and markets.

We fully support thriving public and private markets and outline our future actions in the roadmap in this Executive summary.

Informing ASIC's future work

We have listened to a wide spectrum of ideas and [feedback we received from almost 100 submissions](#) through numerous engagements with stakeholders, panels, forums and structured meetings to shape our response.

To further strengthen our understanding, we commissioned expert perspectives on:

- › **the private credit market in Australia** by Richard Timbs and Nigel Williams, Report 814 *Private credit in Australia* ([REP 814](#)), (PC report), which outlines both better and poorer practices.
- › **the future state of Australia's capital markets** by Dr Carole Comerton-Forde, which considers how markets may evolve over the next 10 years (Market report), and
- › **international approaches to data and transparency in private markets**, prepared by EY Parthenon (Data report).

We also conducted a surveillance of retail and wholesale private credit funds to understand sector practices and their consistency with obligations under the law. The observations on better and poorer practices (Surveillance report) accompany this report.

Our positions in this paper are built on strong foundations - stakeholder submissions, engagement, expert insights, our surveillance, and other actions taken since February 2025. Together, they underpin our ongoing work on private and public markets.

Private markets

Global capital markets are undergoing structural change. Over the past decade, private markets have rapidly expanded to unlock new investment opportunities across companies, innovative ventures and infrastructure projects.

Globally, private market assets under management (AUM) have grown from \$8.2 trillion in December 2014 to \$28.1 trillion at March 2025. Domestically, it is difficult to form a complete picture, with Preqin estimating over 140% growth to \$167 billion in Australia-focused private capital funds AUM over the 10 years to March 2025. The PC report estimates that the narrower private credit sector may have grown to around \$200 billion. This highlights the need for better data to accurately dimension the market and is a key conclusion of our work.

Across industries and roles, many see private markets as an easier source of 'patient capital' (longer-term investment), making these market dynamics important for growth and productivity.

In Australia, private markets are concentrated among a relatively small number of large domestic and global funds and intermediaries, and they are deeply interconnected with the banking system and the broader economy.

Unique challenges in private markets include transparency, capital access for smaller entities and investors, and aligning incentives and accountabilities. As large fund managers and superannuation funds grow, diversify and bring more functions in-house, their market influence will increase along with their responsibility for upholding market integrity.

When done well, private markets benefit those seeking capital, as well as investors and borrowers, and the Australian economy. The growing appetite from Australian retail investors underscores the need for a well-functioning and resilient private market that is underpinned by fair and consistent conduct and disclosure.

Private credit

Private credit plays an increasingly large and welcome role in the economy, providing flexible funding for borrowers and diversification and yield options for investors. In Australia, it is notably concentrated in real estate, an aspect that touches most Australians (PC report), with less capital flowing to the small and medium enterprise (SME) sector.

Our private credit surveillance (Surveillance report) found that while it is growing quickly, it is still relatively immature and untested in a system stress scenario. The sector lacks consistent, well-established practices, especially in governance and transparency, fees, treatment of net interest margins, valuation methodologies, and conflicts, liquidity and credit management. Although we identified some better practices, the report also identified sector failings that aligned with the PC report observations.

Some of these failings raise questions of compliance with the financial services law and ASIC guidance, including the obligation to provide financial services efficiently, honestly and fairly, and the prohibition on misleading or deceptive statements. ASIC outlines principles – anchored in existing regulation – for sound private credit practices in the Surveillance report. These provide a clear basis for all industry participants to assess their practices, improve and build trust and confidence.

History shows how poorer practices, rapid growth in novel high-risk products, and concentrated exposure in real estate development and construction assets can lead to market failure and investor harm. Timely action is essential.

ASIC's response

To support confident and informed participation, investor protection and market integrity, ASIC is enforcing compliance with financial services laws and increasing supervision and surveillance of private markets. We are setting clear principles for private credit (also relevant to wider private markets), refreshing targeted guidance, recommending law reform to strengthen the wholesale funds regime, and working with industry to improve practices like disclosure. See ASIC's roadmap and the Private markets chapter.

Data reporting and transparency

ASIC lags behind international peers in the data we have access to, and the breadth, depth and frequency needed to confidently supervise private capital funds.

Regulators and the industry need greater visibility of markets to monitor and supervise developments in private markets, including identifying risks and interconnections within the wider financial system. Transparency also supports market integrity to maintain confident and informed participation.

ASIC is strengthening its use of data. However, key gaps in funds data limit our visibility of conduct, capital markets shifts and their impact, and our ability to assess how private capital might respond in a system stress scenario, including its interconnections with the banking system.

ASIC response

To increase transparency and better measure market integrity, we repeat our call for data reporting law reform on managed investment schemes. We will continue to make better use of the data available to us. We will engage with industry and other data gathering agencies to conduct a pilot in financial year 2026-27 to access improved funds management data during the current and next financial year. The pilot will help calibrate baseline data needs across the sector, as well as recurrent data and information sharing reform options. See ASIC's roadmap and Data and transparency chapter.

Superannuation

A defining feature of Australia's financial landscape is the superannuation sector, which continues to influence the evolution of public and private markets. As at June 2025, total superannuation AUM reached \$4.3 trillion – around 160% of Australia's gross domestic product (GDP) – underscoring its systemic importance and growing influence on capital allocation across the economy.

Superannuation growth has outpaced that of public equity markets, prompting a shift in investment strategies toward larger deal sizes, greater diversification and enhanced returns. The scale and long-term horizon of superannuation capital make it better suited to the illiquidity and irregular cycles of private market investments, driving growth in private equity, infrastructure, and credit. The liquidity requirements and associated asset allocation parameters of Australia's defined contribution superannuation funds, as regulated by the Australian Prudential Regulation Authority (APRA), impose a ceiling on private investment by superannuation funds. This means that while private investment will continue to grow with the superannuation system, without any change in policy settings it will likely only track overall system growth from this point.

Australia's superannuation system is underpinned by a strong regulatory framework, with trustees acting as stewards of the majority of Australians' retirement savings. They are required to prudently select, manage and monitor the investments made available to members, including in the provision of investment options in platforms, and play a key role in enabling retail investment in private markets.

Regulation and prudent operation by trustees provide some protection for members. However, recent failures in private market products held by some superannuation funds have exposed weaknesses. Both APRA and ASIC have called on the sector to lift practices.

The scale of Australian superannuation, both domestically and overseas, has shifted regulatory attention towards its role in stress situations. The breadth of funds' investments across public and private markets has also increased the importance of their actions for market cleanliness and integrity.

ASIC's response

We will continue to include superannuation trustees in our surveillance of market cleanliness, financial reporting and audits, and investment disclosures, including our work in the platforms segment. See ASIC's roadmap and Superannuation chapter.

Public markets

Public markets and related infrastructure are fundamental to Australia's economy, driving price formation and the provision of funds. Public markets provide the simplest and most mature route for capital flow, connecting companies seeking funds with investors ready to deploy them. With global competition for listings intensifying and private funding emerging as an alternative for growth, Australia's public markets must innovate to remain efficient and attractive. Australia cannot afford to be left behind.

Despite a strong equity market backdrop, primary issuance remains subdued with de-listings outpacing new listings. The challenge is twofold: ensuring public markets are attractive for listing, and for staying listed. Globally, the story is similar. Comparable jurisdictions are also actively seeking to improve the health of their public markets, heightening competition.

Feedback suggests the decline in public markets is driven by both cyclical and structural factors. The main driver being plentiful access to private capital, which can be more flexible and patient and is less encumbered by governance obligations and public scrutiny. ASIC has heard repeatedly that regulatory accumulation and public scrutiny amplify the drift toward private markets.

Technological innovation, such as asset tokenisation, changes in digital trading platforms, and developments in more efficient clearing and settlement is transforming how public markets function, blurring the line between public and private markets. This is a reminder, as we heard in submissions, that the resilience and innovation of financial market infrastructure are critical to maintaining confidence in listed markets.

Australia's public markets must be open to modernisation, innovation and reform so that Australia remains competitive and attractive to investors and enterprise.

ASIC recognises the criticality of debt markets. While submissions received focused primarily on equity markets and private credit, debt market cleanliness and efficiency is important and will continue to be a focus for ASIC.

ASIC's response

We are critically examining market infrastructure – including an inquiry into the Australian Securities Exchange (ASX) group – and making targeted regulatory adjustments for initial public offerings (IPOs), listings, and market participants. ASIC will continue to work with industry and government to modernise public markets so they remain fit for purpose for companies of all sizes and to support growth and innovation. We will continue to engage with the ASX on its commitment to consult on changes to the listing rules to enhance the attractiveness of its public market. See ASIC's roadmap and Public markets chapter.



ASIC's roadmap for the next 12-18 months

Private markets

Further surveillance of the funds management sector (as part of our market cleanliness and integrity work): Conduct targeted surveillances of the funds management sector – including private credit funds with real estate lending strategies – with a focus on distribution, fees, margin structures and conflicts of interest.

Surveillance of audited financial reports of private companies: Continue surveillance of financial reports and audit files for private companies. We will include private companies in our future reviews of sustainability reports.

Take enforcement action: Pursue enforcement action for breaches of law and deter future misconduct.

Issue a regulatory catalogue: Release a catalogue summarising fund managers' legal obligations and related ASIC regulatory guidance.

Refresh funds management regulatory guidance: Refresh relevant regulatory guidance to consider surveillance findings, reflect current risks and apply clearer guidance for wholesale funds.

Update Regulatory Guide 181 Licensing: Managing conflicts of interest ([RG 181](#)): Issue by the end of 2025. Some examples of conflicts relevant to private markets will be included in our updated guidance.

Update Information Sheet 251 AFS licensing requirement for trustees of unregistered managed investment schemes ([INFO 251](#)): Issue an update to reflect the recent court decision on the application of the licensing exemption for authorised representatives.

Engage with the government on policy and potential legislative reforms for wholesale fund managers and the wholesale client definition: Promote market integrity and achieve better outcomes for investors.

Engage with industry bodies on their work to lift private credit sector practices: Continue to engage through the review, development and adoption of enhanced industry standards.

Data reporting and transparency

Initiate a data gathering pilot, we repeat our call for data related law reform: Conduct a data pilot in financial year 2026-27 for a small sample of retail and wholesale funds, working with industry and government data-gathering agencies. This will help inform reforms on data reporting and information sharing. ASIC will continue to enhance its use of existing data sources.

Superannuation

Market conduct and integrity: Continue supervision of market conduct and cleanliness including superannuation trustees, given their size and number of touchpoints in our markets.

Financial reporting and audit: Continue surveillance of the financial reports and audit files of superannuation funds, with the aim of lifting the quality of audited financial reports.

Superannuation investment disclosures: Review portfolio holding disclosures and the treatment of stamp duty in ASIC Regulatory Guide 97 *Disclosing fees and costs in PDSs and periodic statements* ([RG 97](#)), aiming to eliminate distortions to investment decision-making.

Platforms and high-risk superannuation switching: Conduct a thematic review of trustee actions to disrupt high-risk superannuation switching. We will continue to work closely with APRA in our joint supervision of platform superannuation trustees. We will also conduct a surveillance of Australian financial services (AFS) licensees recommending and offering managed accounts to retail clients, focusing on governance frameworks, management of conflicts of interest, and outcomes for consumers.



Public markets

Focus on market cleanliness and integrity: Continue our focus including through transaction and supervisory work, on financial reporting and audit reviews, targeted assessments of company whistleblower compliance, and exploratory work on cleanliness indicators in bond markets and take private transactions.

Foster competition and innovation: Take an open and consultative approach to proposals from operators on amending listing frameworks, new trading platforms, and innovations such as tokenised markets. We continue to support the development of a deep corporate bond market and expansion of approved foreign markets for the listing of companies in Australia, including considering the ideas in the Market report.

Streamline the IPO process: Continue the ongoing two-year trial where entities listing on the ASX via the fast-track process have access to a shorter IPO timetable.

Implement neutral references to market infrastructure providers: Update by the end of 2026 ASIC regulatory guides and legal instruments to be provider neutral.

Inquiry into ASX group: Our inquiry, focusing on governance, capability and risk management frameworks, will report by 31 March 2026, informing ASIC's next steps.

Review ASIC regulatory guides: This will include sell-side research, prospectus disclosure, fundraising publicity restrictions, and forecasts.

Re-consider policy to streamline dual listings: Aimed to attract international businesses to Australia's public markets.

Engage on the corporate governance framework: We received several policy ideas, many outside our remit, including on the differences in governance expectations between the public and private sector, and amplification factors of listing and sectoral rules. We are engaging with government and industry to support broader efforts to streamline and simplify.

Consider the one-size-fits-all approach for listed entities: We will engage with industry on whether consistent listing requirements remain appropriate across all publicly listed companies (as raised in the Market report) and identify barriers to potential structural changes in disclosure and governance frameworks.

Supporting information

In **Appendix A**, we outline key international regulatory developments across capital markets since the release of the discussion paper.



Progress since the release of ASIC's discussion paper

Since February 2025, we have adopted a multi-pronged strategy to assess developments in public and private markets, including our assessment of the evolving private credit funds sector's current compliance with financial services law.

We have **engaged extensively with industry**, through panels, forums, and stakeholder engagements, [receiving nearly 100 stakeholder submissions](#), to inform and shape our approach. We established an informal network of external experts to test and challenge our thinking, and we continue to work closely with local and international regulators to deepen our understanding of private markets.

In June, we hosted a [symposium on public and private markets](#) attended by a cross-section of domestic and international thought leaders, investors, market participants, representatives of government bodies and academics.

We have focused on the private credit funds management sector given its recent growth in Australia (including with retail investors), as this sector has not been tested in a market-wide stress scenario. Feedback on our discussion paper also confirmed we that we should take a closer look at this particular sector. This focused work has informed our broader private market findings and observations.

In addition to the engagement detailed above, we:

- › **launched an inquiry into ASX group** focusing on governance, capability and risk management frameworks and practices across [\(25-103MR\)](#).
- › **launched a two-year IPO trial** for eligible ASX listings to access a shorter IPO timetable designed to reduce deal execution risk and improve the attractiveness of the Australian IPO market [\(25-096MR\)](#).
- › **approved Cboe Australia's (Cboe's) listing rules** so it can list companies on its market, creating the potential for Australian investors to access more investment options, IPOs and dual-listed foreign entities. Cboe's parent company has since announced its intention to sell the Australian business.
- › **expanded the approved foreign market list** to include Cboe's US and Canadian exchanges, along with the Canadian Securities Exchange (CSE). This expansion will enable Australian investors to participate in certain transactions in these markets, further integrating Australia into the global financial system.
- › **increased our focus on widespread non-compliance with financial reporting and audit obligations** by previously grandfathered proprietary companies and announced a broader focus on non-lodgement of financial reports by large proprietary companies [\(25-169MR\)](#). This work highlights the importance of private companies meeting their legal obligations, which support market transparency.
- › **released a report of our findings on financial reporting and audits relating to registrable superannuation entities** [\(25-220MR\)](#). Report 816: *Accounting for your super: ASIC's review into the financial reporting and audit of super funds*, underscored that more needs to be done within the industry to provide greater confidence in the valuation of unlisted fund assets, including, where relevant, by superannuation trustees and auditors. [\(REP 816\)](#).
- › **took action against misconduct**, issuing design and distribution interim stop orders against some retail private credit fund operators and commenced enforcement investigations [\(25-205MR, 25-206MR, 25-208MR, 25-240MR\)](#). This work addresses potential harm when products are marketed and distributed in ways that are unsuitable for retail investors.
- › **commissioned and released expert insights on the private credit market in Australia** by Richard Timbs and Nigel Williams, [\(REP 814\)](#), which outlined both positive and poorer practices within the sector (PC report).
- › **released a progress update** in September which outlined our response to the PC report and activity to date. [\(25-209MR\)](#).

ASIC's responses to the discussion paper's foundational questions

Foundational question	Response
1. Are the changes in Australia's public and private markets due to structural or cyclical shifts (or both)?	Both. While cyclical factors like interest rates, inflation and valuation resets have impacted the number of new and retained listings, structural shifts are increasingly significant. The rise of private capital from a broader investor base is improving funding access for private companies from start-ups to long-term capital-intensive infrastructure utilities. At the same time, evolving corporate and founder needs, along with technological advances, are making private markets more accessible. There is a prevailing view that private markets are better aligned with longer-term investment horizons, while listed markets tend to cater to shorter-term perspectives, partly due to the immediacy of pricing and information. Cyclical factors have affected how liquidity on public markets is valued relative to less liquid private markets. An open question is whether a stress scenario (with capital outflows) may recalibrate this balance. These are global trends.
2. What impacts will the continual growth of superannuation funds have on Australia's capital markets?	Within Australia specifically, superannuation will continue to drive public and private market growth, influencing capital access and formation, risk and outcomes across the broader economy. Growth in superannuation assets has outpaced growth in public equity markets, necessitating a broader shift in investment strategies as funds seek bigger deal sizes, diversification and enhanced returns. Superannuation trustees have obligations to prudently select, manage and monitor the investments made available to members. In performing this role, superannuation trustees play a key role in facilitating retail investment in private markets. Given their size and dominance in public markets, superannuation funds are uniquely positioned to positively influence the market and play a critical role in upholding and maintaining market integrity. Generally, superannuation has a stabilising effect on the operation of markets in times of stress. However, if a severe and unexpected liquidity shock occurs, superannuation funds may amplify financial market stress and valuation dislocations through transmission mechanisms like currency hedging and other derivatives. Superannuation funds take on increasing agency and stewardship responsibilities in becoming the primary means for Australians' access to private markets exposure. Their minimum investment size criteria may influence the market for capital for SME borrowers.

3.
Do regulators have access to the right data to understand the impact of changes in our capital markets on the economy?

While ASIC is strengthening its use of data, key gaps persist in the funds sector. To monitor developments and emerging risks effectively, regulators need access to complete and high-quality data about our capital markets. We have access to high quality data on public market activities and improving data on over-the-counter (OTC) derivatives and the investments held directly in private markets by superannuation funds. However, there are significant gaps in funds data - including at the most basic level, a list of all funds and their features to size and dimension the market - and we are lagging peer jurisdictions, as shown in the Data report.

ASIC will work to make better use of existing data sources, but access to more data is crucial for market oversight, supervision and enhanced transparency. We plan to collaborate with industry on a data pilot on a subset of funds, working with other data-gathering agencies including to inform related law reform options. We will identify the specific information currently missing that is necessary to accurately inform the size and dimensions of the private markets within our economy.

4.
What data do we have to understand how private capital - both debt and equity - will respond in a system stress scenario?

The data is currently too limited. As the sector grows, it is essential for regulators and the industry to periodically stress test the market and be prepared for future crises. Relative to superannuation funds, limited regulatory reporting of private capital funds hinders effective monitoring for stress indicators and conduct risks across the financial system - especially interconnections between the private markets sector and public markets, banks and other financial institutions.

We will work to better leverage existing and potential data sources, including those related to financial services licensees and from APRA. However, gaps in funds data remain and need to be filled to support our oversight and supervision of the Australian private market sector including to better understand its size and dimension. We will continue to work with the Council of Financial Regulators bodies to monitor practices, developments and issues within global and Australian private markets.

5.
What does market integrity look like in practice as more capital raising occurs outside public markets?

As private markets grow, conduct in the private markets will have an increasing impact on overall market integrity and confident and informed participation. We have developed a set of principles consistent with the private credit fund sector's legal obligations. These principles indicate key themes in industry practices that we expect the sector to adopt.

We will continue to conduct private market surveillance and enforcement to drive good practices and market integrity. We will continue to adapt to reflect the rising relative impact and importance of large and complex asset managers and superannuation funds. We encourage the private markets industry to continue improving practices, through strengthened and expanded standards, promoting consistent practices that comply with the law.

Our ongoing surveillance of market participants has identified concerns regarding arrangements for handling conflicts of interest and confidential information. The findings reinforce the importance of sound and effective policies and procedures for market participants (including institutional investors) addressing behaviours and the handling of inside information across all markets.

6. Is the shift to private markets creating issues for retail investors such as reduced access to investment opportunities and greater exposure to risk, with fewer protections?	Yes. The shift from public to private markets has created challenges for retail investors, including around access to investment opportunities with appropriate risk and return criteria and transparency. With fewer companies listing publicly or doing so later in their growth cycle, retail investors have limited opportunities to participate in early-stage value creation. Private markets often involve greater opacity, illiquidity and riskier strategies, and in the case of private credit, less mature practices. However, retail access is expanding, driven by superannuation funds and global operators pushing for greater transparency and tools to value assets. Our focus on strengthening practices, transparency, and market integrity is laying the foundation for safer access for all investors, including retail investors. Regardless of how trustees offer members investment choice within superannuation funds, they must exercise care, skill and diligence in relation to all matters affecting the fund. These obligations provide some protection for members and, for many retail investors, superannuation represents the safest way to access private markets. Recent high-profile failures in private markets products on the menus of some superannuation funds, including but not limited to platform funds, have exposed weaknesses in the protections offered by trustees, and both APRA and ASIC have called on the sector to lift practices.
7. Does there need to be greater harmonisation in the regulation of public and private companies?	Our current regulatory settings recognise the structural differences, and distinct risks for investors, for private companies compared to public companies. However, it has been some time since many of these settings were put in place, and other accountability and disclosure regimes have since been implemented that are market operator or sector specific. There is scope to revisit some of these settings to ensure they are suited to today's environment. We are working to reduce regulatory burden for listed companies, including supporting market operators to consult on listing rule and corporate governance changes, and continuing to engage with government on simplification, including on the Financial Accountability Regime (FAR). Where there are obligations that apply to both public and private companies, we seek to administer them in a consistent manner, while taking into account the structural differences and various risks to investors. For example, we continue to promote good outcomes for investors in private companies through our ongoing supervision of annual audited financial reports and will soon include private companies in our reviews of sustainability reporting. In addition, we will soon release a report benchmarking whistleblower protection practices across corporate Australia, covering both public and private companies.
8. How can Australia's capital markets remain attractive and meet future economic needs?	Australia's capital markets can remain attractive by embracing innovation, strengthening the foundations and integrity of private markets, and ensuring both public and private markets are open, resilient and internationally connected. This includes improving practices, expanding supervision, and improving transparency and investor protections in private markets. At the same time, it will be important to streamline listing pathways and support market operators in adjusting listing and governance settings, to make capital raising easier for companies of all sizes. Technological advancements and alignment with international standards will further enable efficient capital flows and broaden access. These initiatives, together with our ongoing market cleanliness work and surveillance of private markets lay the foundation for vibrant, inclusive, and future-ready markets.

1 - Private markets

1.1 - Private markets

Key takeaways

- › When done well, private markets are good for those seeking capital, those investing and for the economy.
- › Private markets are growing. Over the past decade, Australia-focused private capital AUM are estimated to have grown by over 140% (Preqin) and private credit funds by over 500% (EY Parthenon).
- › The growth in superannuation funds under management in Australia is an important structural driver of the growth of our private markets.
- › Across industries and roles, there is a common view that private markets are an easier source of 'patient capital' (longer-term investment), making these market dynamics important for growth and productivity.
- › Regulators here and abroad are adjusting their actions and oversight to this new structural normal.
- › Transparency, access to capital by smaller entities, access to investment by smaller investors, and the alignment of incentives and accountabilities in private markets present some unique challenges.
- › The growing intersection between banking and non-bank sectors can amplify risks, warranting close monitoring.
- › As large fund managers and superannuation funds grow, diversify and do more market participant functions themselves, their market influence increases, together with their responsibilities for upholding market integrity increase.
- › Failures and poor practices are already occurring in private credit. Inconsistent practices and some poor outcomes erode confidence in this sector, especially given the growing participation of retail investors.
- › The legal framework for wholesale funds needs enhancing to lift integrity and investor protection.
- › We are expanding our surveillance of the private credit funds sector and expect industry to benchmark against the principles set out in this report to lift practices and enhance standards.
- › We welcome industry engagement and interest in promoting better practices and greater consistency across the industry. We look forward to industry action in delivering enhanced standards.
- › Regulators and the industry need to be prepared for and informed ahead of a potential crisis arising from a market-wide stress scenario, and to maintain confident and informed participation in these markets.

Definition and scope of private markets and private credit

In our discussion paper, we referred to private markets as encompassing private capital funds, non-bank financial lending, and investments made by institutional investors directly into asset classes such as private companies, unlisted property, infrastructure and debt.

Private credit (sometimes referred to as private debt) has many different meanings within the industry. Some define it as direct, non-bank one-to-one lending that is not publicly traded, while others define it as all non-bank lending of a non-consumer nature.

Private credit lending includes corporate lending, private financing of real estate and infrastructure projects, and asset-backed financing. ASIC has taken a broad view of what private credit entails, including a wide range of exposures through the capital stack (e.g. from senior debt to equity-like instruments), as informed by the PC report.

1.1.1 - What we know

Private market growth, access, and integrity are a focus for regulators globally, see for example:

- › the [Financial Stability Board's work on non-bank financial intermediation](#)
- › the [International Organization of Securities Commission's work on private finance and valuations by collective investment schemes](#)
- › the [UK Financial Conduct Authority's ongoing program of work on private markets](#).

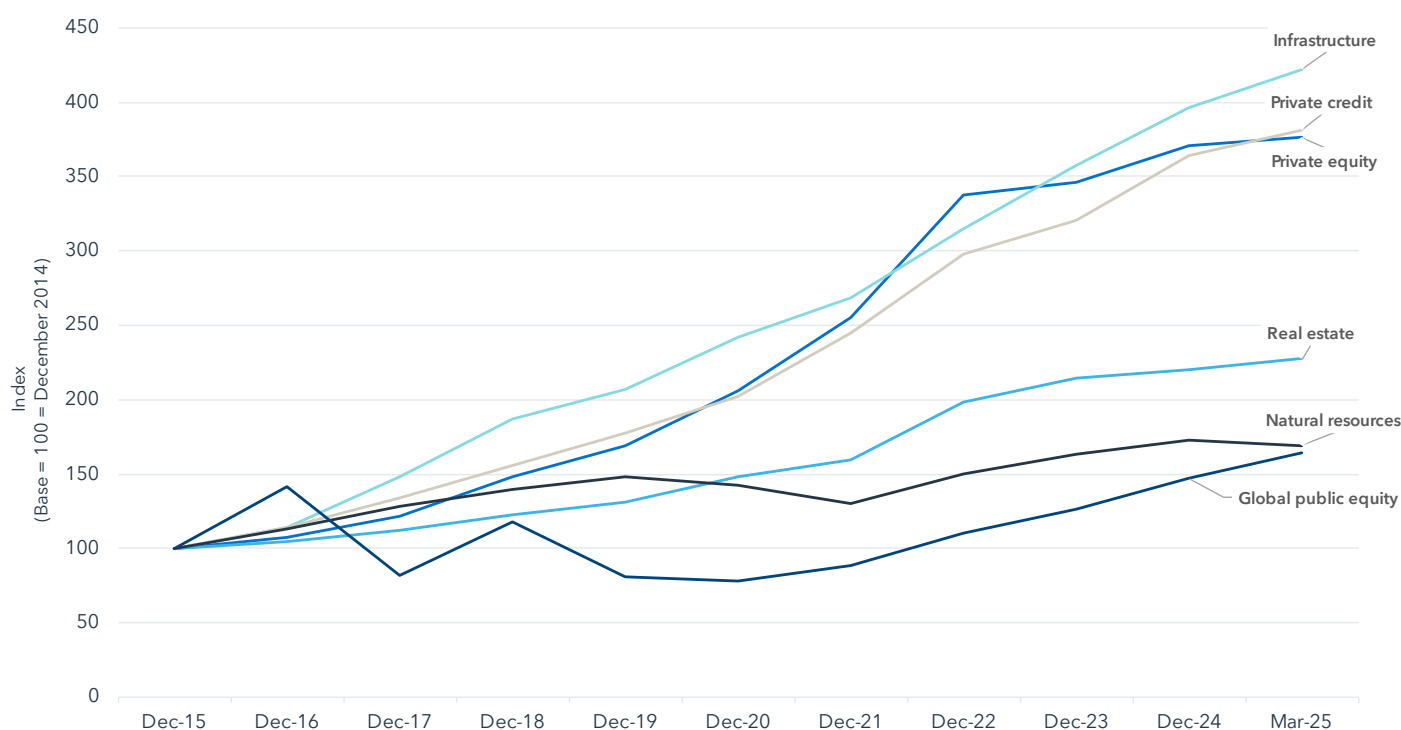
Structure

Australian markets are undergoing structural change and private markets are expanding. Private markets are an important source of funding for many businesses in Australia, including some smaller and riskier businesses, new innovative businesses and significant infrastructure and sustainability projects. Real estate investments are the largest recipients of the fast-growing private credit segment of private markets.

Globally, private market AUM has grown from \$8.2 trillion at December 2014 to \$28.1 trillion at March 2025, equating to one-fifth of global equity market capitalisation (Preqin).

In the decade to December 2024, global private capital assets AUM in the asset classes of private equity, private credit, infrastructure, real estate and natural resources has outpaced the growth of global publicly listed equity markets, as shown in Figure 1.1. This represents annual growth in AUM (indexed to 100 in December 2014 for key sectors) (Preqin, Bloomberg).

Figure 1.1: Growth in global private capital AUM by asset class and global public equity, December 2014 (base = 100) to March 2025.



Source: Preqin, Bloomberg

Domestically, Preqin estimates Australia-focused private capital fund assets to be \$167 billion as at March 2025, up from \$68 billion in December 2014. We consider this figure underestimates the true scale of private markets AUM in Australia, a view echoed in feedback on our discussion paper. The PC report estimates the Australian private credit sector alone to be worth around \$200 billion, noting the work of EY which estimated private credit fund AUM and non-bank private credit investors at \$213 billion as at September 2025.

Feedback on the discussion paper noted that private markets have become an increasingly important destination for investment, with private companies making up a large share of major companies globally. In one submission (that referenced S&P Capital IQ), as at December 2024, 87% of US and 96% of EU companies with over \$100 million in revenue were private. In Australia, the figure is similarly high at 96%. Listed companies in the ASX 200 account for approximately 9% of Australian employment.

While private equity has seen a slowdown in growth globally and domestically recently, partly due to changes within the economic environment and the withdrawal of COVID-19 pandemic-period liquidity, interest and investment in private markets remains strong (Market report). Recent market conditions - including changes in the perceived value of liquidity and movements in higher interest rates and available leverage - have also contributed to the growth in private markets.

Growth

Investors globally are participating in private markets more deeply and diversely, fuelling their growth (Market report). New, large fund operators are entering the market, leading to demand for better and more effective disclosure and transparency as well as changes in channels to access private market assets (including for retail). Globally, we have seen some of the world's largest public markets investors and private markets investors come together, including BlackRock's acquisition of Global Infrastructure Partners in 2024 ([BlackRock Completes Acquisition of Global Infrastructure Partners](#)).

ASIC's ongoing supervisory focus on the private market sector will promote better disclosure and reporting practices to investors. In turn, this will underscore the need for enhanced private market transparency and safer access to good quality underlying assets for a wider range of investors.

Access

Private market offerings were historically locked behind high walls. Opening them up to broader investors is a matter of fairness and a growth opportunity. As they open up, private credit funds are increasingly targeting retail and less sophisticated wholesale investors, including individuals (Surveillance report). While these investors may meet the specified asset and income thresholds, many are unable to fully assess the risks.

Even when retail and smaller investors access private market investments through large, mature and more sophisticated asset managers, those managers often assume a level of investor knowledge and agency beyond what is assumed in a public market setting where shares are accessed directly. Strong conduct and disclosure principles and practices are therefore essential for fair outcomes and confident and informed participation, regardless of the fund manager's size or footprint.

We received feedback that the wholesale client threshold is too low and should be reviewed as some private market products are unsuitable for these investor groups.

SMEs and growth stage companies make up around 90% of global businesses yet many struggle to access private capital. The capital-raising landscape is dominated by large institutional investors, which can bring deeper funding and strategic support, but can also come with expectations around larger minimum raising rounds, scalability, governance and exit pathways ([World Bank SME Finance](#), 2025). Conversely, Australia's listed markets have relatively permissive listing requirements, providing efficient access to capital for sectors like mining that may struggle to access private capital.

Increasing interconnection

Banks and non-bank entities, like private capital funds, are becoming increasingly interconnected globally and domestically. This is creating opportunities and efficiencies, but also new channels for risk transmission. Private capital funds are playing a more active role than in the past - not just as end investors and borrowers of bank credit but also as key intermediaries in securitisation.

There is also more interconnection between funds (equity and credit) within and between financial groups ([Banks' interconnections with non-bank financial intermediaries](#) and the PC report).

The increasing interconnectedness between public and private markets and banks, financial institutions and non-banks means that shocks in one segment - such as a sudden liquidity stress or valuation shifts in private

credit - can quickly ripple across balance sheets and entities. This amplifies the need for counterparties and regulators to closely monitor the linkages ([Enhancing the Resilience of Nonbank Financial Intermediation](#), Financial Stability Board, July 2025 and [Reserve Bank of Australia's \(RBA\) NBFi article](#)).

Greater interconnectedness also makes it harder to anticipate potential scenarios in a stress or crisis event, especially given the opacity of private structures. That is why the ability of regulators to collect timely data is critical to mitigating and managing these risks (see Chapter 2: Data and transparency).

Market integrity and cleanliness

Private markets present risks for investors, such as limited access, liquidity, disclosure and risk management challenges, complexity, information asymmetries and adverse selection risks. Their opacity could also undermine market confidence. For example, a lack of transparency can lead to mistrust about the valuation of assets and reduce ASIC's ability to assess the system-wide integrity of our capital markets.

Recent papers from the US Securities and Exchange Commission Investor Advisory Panel on [Retail investor access to private market assets](#) and the CFA Institute on [Continuation Funds: Ethics in Private Markets, Part 1](#), both highlight the importance of fund operators having good governance, effective disclosure, and operational practices in place to promote the best interests of investors (including retail investors) and foster trust and confidence in the private markets sector.

We conducted targeted surveillance of some private equity and infrastructure fund operators to better understand their business models and test compliance, complementing our work on private credit. We observed that, as with private credit, illiquidity, opacity and conflicts are risks for investors in private capital funds holding these asset classes. We will continue to consider private capital funds in our roadmap, including through future private markets surveillance and a refresh of regulatory guidance. The private markets sector should look to enhance their practices as set out in Table 1.2.

As large fund managers and superannuation funds grow, diversify and bring more functions in-house, their market influence will increase along with their responsibilities for upholding market integrity. They should actively consider the impact of large transactions, including the impact of private markets transaction information such as valuations on public market prices and the timing and placement of significant orders, and implement robust controls around confidential information, conflicts management, and risk oversight.

Supervision and guidance

Conflicts of interest: Our ongoing supervision of market participants has identified some concerns around handling conflicts of interest and confidential information in corporate transaction activities. These findings reinforce the importance of all market participants (including institutional investors such as superannuation funds) having sound and effective policies and procedures in place to address conflicts and handle inside information across all markets.

A number of respondents to ASIC's discussion paper raised that the management of conflicts of interest within private markets require further clarification. We expect to release finalised guidance for AFS licensees: Regulatory Guide 181 *Licensing: Managing conflicts of interest* ([RG 181](#)) by the end of 2025. This will include examples relevant to conflicts in the private market sector.

Market cleanliness: We have been expanding our equity market cleanliness work to private markets and public debt markets. In private markets, this involves exploring the cleanliness of 'take-private' transactions. This supplements our existing equity market cleanliness indicators and helps to monitor the impact of enhanced industry practices and our regulatory work on strengthening market integrity across private markets.

Data: A lack of recurrent data and visibility over the universe of funds available in Australia undermines ASIC's ability to effectively supervise and assess the cleanliness of the managed investment schemes sector in Australia. Our private credit surveillance work underscored the gaps in the regulatory settings for our ongoing supervision of wholesale funds. For example, we do not know which wholesale funds are being operated by the approximately 1900 licensed wholesale fund operators and we have to contact fund operators to identify which funds exist and their core features and activities. This is inefficient, reactive and means some risks are going unchecked. See the Chapter 2: Data reporting and transparency.

Valuation: Our findings on financial reporting and audits for registrable superannuation entities *Accounting for your super: ASIC's review into the financial reporting and audit of super funds* ([REP 816](#)) underscore a clear need to improve confidence in the valuation of unlisted fund assets, including by superannuation trustees and auditors. Findings revealed inconsistent approaches to disclosing investments, limited disclosure of sponsorship and advertising expenses, and insufficient audit evidence obtained in the valuation of unlisted investments. The valuation concern arose when superannuation trustees relied on the information provided by external fund managers. This is a reminder to funds and trustees to ensure rigorous governance over critical investment information such as valuations, given their responsibility for members in private investments.

Financial services licence – clarity on when required: In early 2025, the full Federal Court decision of [ASIC v BPS Financial Pty Ltd \(2025\) FCA 74](#) clarified the application of the exemptions from the requirement to have a financial services licence. This is relevant for issuers of interests in wholesale managed investment schemes (including private capital funds) and their relevant obligations to comply with the law. In the first half of 2026 ASIC aims to complete its update of Information Sheet 251 *AFS licensing requirement for trustees of unregistered managed investment schemes* ([INFO 251](#)) to reflect the recent court decision.

Financial reporting by private companies: We continue to promote good outcomes for investors in private companies through our ongoing surveillance of annual audited financial reports. This includes our strategic focus on financial reports from large private companies, and we will soon expand our reviews of sustainability reports to include private companies. To further promote confidence and integrity in our financial system, we have recently cracked down on the non-lodgement of financial reports by large private companies. We will soon release a report benchmarking whistleblower protection practices across corporate Australia, covering both public and private companies.

Private credit funds sector

Private credit is meeting a real need. If done well, it can complement the banking system by providing long-term investment capital and maintaining capital flows during periods when banks tighten their lending policies or there are other liquidity shocks (Market report).

Private credit also supports financing for smaller or riskier sectors where banks are less active, particularly in real estate, and creates access opportunities for investors to participate through funds in direct private lending.

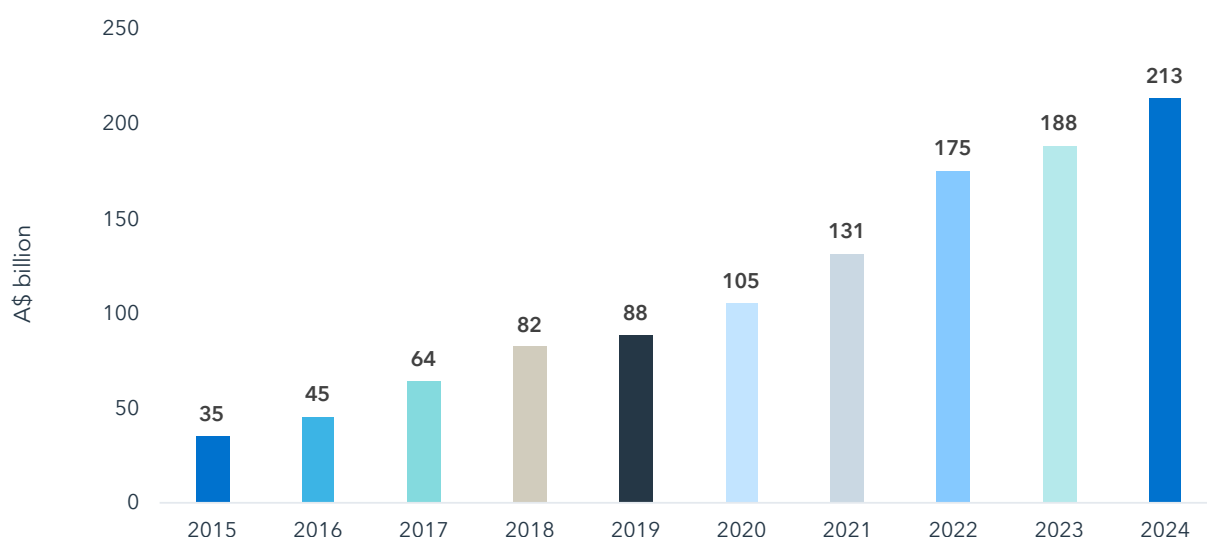
Private credit markets are playing an increasingly significant role in the economy, particularly the real estate sector. While funding real estate and property development is important, an over concentration here at the expense of enterprise growth, particularly for SMEs with limited access to private markets, poses real risks, as seen in previous financial stress and crisis events.

Publicly available estimates of the size of the private credit market in Australia vary significantly due to differences in research methodologies and gaps in available data:

- › Preqin estimates the AUM of Australian-focused closed-ended private credit funds to be \$5.5 billion as at March 2025.
- › Alvarez & Marsal ([Australian Private Debt Market Review 2024](#)) estimates the domestic private credit market AUM to be \$205 billion as at December 2024.
- › EY (2025 Australian Debt Market Update) estimates private credit funds AUM and non-bank private credit investors to be \$213 billion as at December 2024.

EY's Australian Debt Market Update reveals that the size of the Australian private credit market grew over 500% to \$213 billion at the end of 2024 from \$35 billion in 2015. By comparison, the total AUM of managed funds grew over 76% to \$4.8 trillion at the end of 2023 (including superannuation), from \$2.7 trillion in June 2015 (Australian Bureau of Statistics (ABS) Managed Funds – October 2023, last update in the series).

Figure 1.2: Growth in the size of the Australian private credit market, 2015 to 2024 (EY Parthenon)



Source: EY Australian Debt Market Update

Although the private credit sector is not yet systemically significant within the financial system, its rapid growth warrants ongoing regulatory monitoring. A failure of one or more sizeable operators would likely lead to investor losses, undermining trust and confidence across the sector and the Australian market more broadly.

Fund failures are already occurring, with more likely as we near the top of the economic cycle. Fund operators and trustees should act now to strengthen transparency and market integrity (see the Principles at 1.1.4) to protect investor funds before conditions shift.

Private credit markets remain opaque and illiquid, having evolved from institutional roots (including family offices). They are concentrated among a small number of large domestic and global funds and market intermediaries and are deeply interconnected with the banking system and broader economy. There is also a broad range of smaller private credit fund operators responding to the demand for higher-yield products (PC report).

Valuation practices, methodologies and data inputs vary widely across the private credit funds management sector, requiring more uniformity and enhancement (see Market and Data reports). The PC report noted that prudentially regulated sophisticated investors - such as large superannuation funds and insurance companies - were more likely to have the capability to understand private credit funds' fees and valuation arrangements.

However, [REP 816](#) found that more needs to be done within the industry to provide greater confidence in the valuation of unlisted fund assets, including by both superannuation trustees and auditors. A December 2024 report by APRA titled [Governance of Unlisted Asset Valuation and Liquidity Risk Management in Superannuation](#) also noted that a significant proportion of superannuation trustees displayed material gaps in key areas. There are several recent examples of private credit write-offs in the superannuation sector affecting both platform and non-platform superannuation trustees. In all cases, valuations played a key role, underscoring the importance of uplifting practices in this area.

The Australian private credit market differs from comparative international markets, in the following ways:

- › **Concentration:** A higher proportion of wholesale and retail funds are invested in real estate, as well as higher-risk construction and development (40 to 60% allocation, PC report). We are also aware that some large institutional investors exercise significant caution when investing in this sector. Conversely, Australia lacks the breadth and differentiation of assets financed by private credit that are seen abroad. For example, in the USA, private credit was estimated at \$2.7 trillion in total in 2024 and 47% of that allocation was to general corporate purposes (e.g. working capital needs), 21% to debt refinancing and 25% to private equity deals ([Cai, Fang, and Sharjil Haque \(2024\). 'Private Credit: Characteristics and Risks', FEDS Notes, Washington: Board of Governors of the Federal Reserve System, February 23, 2024](#)).
- › **Portfolio mix transparency:** Funds are less transparent in their disclosures to investors relating to portfolio mix, impaired assets, income-producing versus non-income-producing loans, and related-party transactions.
- › **Fund fee structures:** Fund fee structures can be opaque, including the fees paid by borrowers directly to the manager, and which the managers retain in some proportion.
- › **Direct retail participation:** Retail investors have greater direct and indirect access participation in private credit funds compared to global peer markets. This is partly due to Australia's more permissive legislative framework, which does not limit retail access to financial products with various underlying assets, such as real estate (PC and Data reports).

1.1.2 – ASIC's private credit fund surveillance learnings and expert insights

ASIC conducted surveillances of 28 retail and wholesale funds, and commissioned experts to provide insights on prevailing developments and practices in the private credit sector (PC report).

Our surveillance examined fund disclosures and transparency, marketing and distribution practices, fees and income, governance and conflicts management, valuations, and liquidity and credit practices (Surveillance report).

We found evidence of better and poorer practices in the sector. The better practices should act as a benchmark for others. Some of the failings are inconsistent with financial services laws and ASIC guidance including the obligation to provide financial services, fairly, honestly and efficiently, and to avoid making misleading or deceptive statements.

History suggests that the combination of poorer practices, novel and higher risk investment products and a heavy concentration in real estate development and construction assets, creates fertile ground for potential market failures, which can damage investor outcomes and erode trust and confidence in markets that ripple through the economy (PC report and Market reports). These risks are amplified by the transmission mechanisms within today's interconnected ecosystem of private credit and supporting leverage from banks and non-bank financial institutions.

The compliance issues identified in the Surveillance report and echoed in the PC report, are summarised in Table 1.1. They underscore the need for industry action to enhance practices in Australia's private credit sector and build preparedness for a potential crisis in a market stress scenario.

Relevance of compliance issues to private capital funds

While focused on private credit, the important compliance findings are also relevant to private equity, recognising the distinct differences between owner and debt funder rights and responsibilities.

ASIC views Table 1.1 as relevant for all types of private capital funds to consider, having regard to the nature of the fund's underlying assets.

Table 1.1: Private credit funds – Compliance issues informing ASIC’s actions

Issue	Why it matters	Risks	References
1. Transparency (investment information and reporting)	Fund transparency creates a better market by: › supporting informed decision making including to help investors understand strategies and risks › informing market pricing and valuation › building trust and accountability, and › protecting against hidden risks or misconduct.	Transparency gaps in: › investment strategy, portfolio description and risk exposure › skills and experience of fund operator leadership › valuation policies and processes › impairments, and › marketing and disclosure documents, including investment performance and risk exposure (including to avoid a mismatch in risk being taken on by investors).	› PC report: definitions and use of key terms and investment reporting › Surveillance report: Fund disclosures and transparency.
2. Marketing and distribution practices	Distribution is critical. Products should be: › clearly explained for investors and their advisers › balanced and accurate in referencing research houses and credit ratings › appropriately targeted and distributed to suitable investors, and › if wholesale funds only, distributed to wholesale clients only.	Aggressive marketing and poorly explained products: › increase exposure and liquidity risk › lead to inappropriate targeting (suitability risk) › can lead to an unanticipated inability by investors to exit a position (liquidity and suitability risk), and › result in poorer wholesale client classification procedures.	› Surveillance report: Marketing and distribution.
3. Treatment of fees	Fee structures impact investor returns. They: › can favour managers and reduce returns. Clear, accurate and effective fee disclosure should: › help investors better understand what they are paying for › allow comparisons between funds, and › aid informed decision-making.	Fee disclosure can be poor, misleading or have omissions. They can be complex and/or unfair, resulting in: › poor understanding and ability to compare fees and costs › investors exposed to risk/return mismatch › misleading disclosure on loan related fees, and › unfair investor treatment regarding loan-related fees paid to managers.	› PC report: Remuneration and fees › Surveillance report: Fee and income transparency section.

4. Management of conflicts of interest	Conflicts of interest can: › arise between REs or trustees, managers and investors, or among investor groups, and › impact market efficiency and investor fairness.	Poorly managed conflicts of interest are a driver of potential misconduct and unfair treatment of investors, including arising from related party transactions, managing conflicting interests across different funds, managing different classes of assets in the same entity (e.g. debt and equity) and fee and distribution arrangements.	› PC report: Related party transactions and governance › Surveillance report: Governance and conflict management.
5. Governance (including independent or active trustees and audit)	Transparency and safety involve: › strong and effective fund governance, including the appointment of an independent trustee, and quality of audit, promotes greater transparency and accountability and ultimately safeguards the interests of fund members.	Mixed governance practices, including a lack of independent or active oversight where: › the RE, trustee and investment manager are part of the same group › an independent trustee is used but is mostly inactive › the trustee is an appointed authorised representative of a third-party licensee; and › poor quality of audit.	› PC report: Governance and conflict management › Surveillance report: Governance and conflict management.
6. Valuation practices	Investors rely on fair valuations to assess performance and make informed investment choices. Valuation inconsistencies and errors can harm investors and market integrity. Valuations drive transaction prices, and entry and exit prices, so accuracy is essential for fairness; they impact management and performance fees.	Heightened valuation risk includes arising from: › inconsistent use and transparency of methodologies › a lack of market proxy valuations › insufficient frequency, timeliness and independence of valuations (including on impairments), and › subjective judgements.	› PC report: Valuations › Surveillance report: Valuation practices › Market report: Enduring challenge – Valuations › Data report – (references to valuations) › REP 816 Accounting for your super.

7. Liquidity risk management practices	Good liquidity risk management and effective disclosure help: › align the operation and strategy of a fund with investor expectations › avoid liquidity mismatches › support fair treatment of all investors, and › promote confidence in the fund and the broader financial system.	Key challenges include: › liquidity mismatch for open-ended private credit funds › poor disclosure to investors about the ability to redeem in times of market stress, and › the potential for fire-sale dynamics.	› PC report: Issues for ASIC consideration – liquidity › Surveillance report: Liquidity management practices.
8. Credit risk management practices (including arrears, defaults, impairments losses)	Credit risk management is fundamental to protecting investors' capital: › Private credit funds tend to lend to borrowers with higher risk profiles, and where the underlying assets have limited liquidity › Effective credit assessment, monitoring and diversification reduces defaults and impairments and identifies potential losses earlier, and › Supports accurate valuations, stable returns, and overall fund resilience.	Illiquid assets that carry a risk of default and impairment by private credit funds require robust credit risk management to ensure appropriate credit investments are selected, default and impairment events are managed, and any investor losses are minimised.	› Surveillance report: Credit risk management practices.

1.1.3 - Where to next

In the remainder of the chapter, we outline three key areas of future focus:

- › Our principles to drive necessary improvements in practices
- › engaging the government on potential reforms to legislative settings for managed investment schemes, and
- › the industry's role in lifting practices.

ASIC future work relating to private markets is set out in ASIC's roadmap for regulatory actions.

1.1.4 - Principles for the private credit funds industry

To assist the private credit funds sector in complying with its obligations, we identified in our surveillance report examples of observed better and poorer practices (Surveillance report).

We have developed a set of principles to guide the private credit fund sector in complying with the law – see Table 1.2. The principles are drawn from the existing legal framework and ASIC guidance, and the considerations for private credit participants in the table are underpinned by observations in the PC report and our private credit surveillance findings.

The private credit fund sector should use these principles as a benchmark to urgently assess its current practices, lifting them where necessary. This step will enhance trust and integrity in the private credit fund sector.

Principles 3 to 10 map to the compliance issues 1 to 8 in Table 1.1. The first two additional principles reflect overarching legal expectations of fund managers.

Relevance of principles to private capital funds

Although developed in the context of private credit, ASIC considers the principles to be universal applicable across private capital funds. We recognise adaptations may be necessary depending on the nature of the fund, for example if it lends privately to entities versus private ownership of entities, or if the fund's underlying holdings are more exposed to financial risks beyond credit risk, such as market risk.

All participants in the private capital funds sector should apply these principles when reviewing their practices, and strengthen them where needed, with appropriate tailoring based on the nature of the fund's underlying assets.

Table 1.2: Principles for private credit funds done well

Principles	Why it matters	Considerations for private credit participants
1. Stewards of other people's money REs and trustees act as stewards of investor capital, ensuring that their decisions are fair and in investors' best interests.	Safeguards assets, promotes fairness and maintains trust in the system.	RE and trustee boards should actively oversee fund operations, including valuations, conflicts, liquidity and impaired assets, to ensure fair and proper conduct.
2. Organisational capability Human, financial and technological resources are adequate. REs and trustees operate efficiently, honestly and fairly.	Supports operational resilience, investor protection and regulatory compliance.	Maintain adequate staffing, systems, and capital, with regular reviews as funds grow in size and complexity. Ensure appropriate expertise and experience in leadership and staff, including in credit, risk, compliance, systems support, valuation, reporting, liquidity, and conflict management. Undertake appropriate monitoring and supervision, including of corporate authorised representatives.
3. Transparency Investors have access to timely, transparent information on investment strategy, exposures, valuations, risks and fees. (Table 1.1 issue no. 1)	Supports comparability and informed decision-making by Investors.	Adopt consistent reporting practices and terminology, including timing, form and substance.

4. Design and distribution Design and distribution practices are fair, transparent and appropriately targeted for investors. (Table 1.1 issue no 2)	Ensures investors receive clear, accurate information to make informed decisions, and mitigates against mis-selling of unsuitable products.	Determine an appropriate target market, taking care that it reflects any high risk or complex fund structures or features. Strengthen distribution oversight to ensure product suitability (including via platforms). Platforms provide clear and accessible information.
5. Fees and costs Fees and costs are fair and transparent, giving investors and borrowers a clear view of total costs. (Table 1.1 issue no. 3)	Enables informed decision-making and promotes trust.	Disclose all fees and income streams (e.g. management and performance fees, borrower-paid fees, origination margins, default interest). Be clear about the manager's total remuneration. Avoid complex fee and margin structures that obscure the true cost to investors.
6. Conflicts of interest Conflicts of interest are identified, disclosed and effectively managed or avoided. (Table 1.1 issue no. 4)	Promotes trust and fair treatment of investors, borrowers and other parties.	Avoid arrangements (i.e. fees, interest, co-investment, loan structuring) that unduly favour one party. Ensure clear and fair allocation across funds. Disclose related-party transactions and multiple exposures to the same borrower with independent oversight.
7. Governance Structures, processes and people promote sound decision-making, compliance and accountability. (Table 1.1 issue no. 5)	Drives responsible decisions, supports ethical conduct, and fosters a risk-aware and compliant culture.	Establish well-defined, documented roles, decision-making and escalation processes, with clear accountability. Embed a culture of risk awareness, compliance and transparency. Empower staff to challenge poor practices. Ensure independent oversight, with REs and trustee boards independent of the business. Avoid overly complex structures that heighten the risks of conflicts and unfair treatment of investors and borrowers.
8. Valuations Valuations are fair, timely and transparent, with robust governance. [Table 1.1 issue no. 6]	Determines transaction, entry, and exit prices, and can influence management and performance fees.	Implement clear and consistent valuation methodologies, policies and processes that produce fair valuations. Undertake valuations regularly (monthly or quarterly), with appropriate independence. Include periodic external audits.

9. Liquidity Liquidity risk is effectively disclosed and managed, avoiding structural mismatches, with fair redemption terms aligned to portfolio liquidity. (Table 1.1 issue no. 7)	Minimises disruption during stress and ensures fair treatment of exiting and remaining investors.	Disclose redemption terms, liquidity gates and stress testing practices to investors. Ensure the source of funds for distributions is sustainable and stems predominantly from cashflows generated by underlying assets. Avoid paying distributions from investor capital or that of new investors.
10. Credit risk Credit risk is effectively managed across loan origination, portfolio construction, monitoring, impairment, default and repayment. (Table 1.1 issue no. 8)	Ensures disciplined lending. Aims to preserve investor capital, supports long-term portfolio performance, and enables effective impairment and default management.	Apply standardised credit assessment and monitoring frameworks as part of a well governed and documented risk management framework. Document credit decisions and risk ratings, and regularly review borrower performance. Establish escalation protocols for early signs of distress. Use portfolio stress tests. Apply a consistent approach to impairments, and ensure independent oversight of credit, default and impairment processes.

1.1.5 – Enhancing regulatory settings for managed investment schemes

Australia’s permissive regulatory framework for managed investment schemes has not kept pace with market developments and is out of step with international peers.

In our submission to Treasury’s August 2023 review of the managed investment schemes regulatory framework, ASIC made several evidence-based recommendations to strengthen investor protections, enhance market integrity, and better align with international standards ([the MIS review submission](#)).

We also submitted to the 2024 Inquiry by the Parliamentary Joint Committee on Corporations and Financial Services into the wholesale investor and wholesale client tests, a recommendation to amend aspects of the wholesale client test ([ASIC submission](#)) to increase the current financial thresholds. The committee did not recommend increasing the current financial thresholds.

ASIC’s submission estimated that individual wealth tests for determining who should be considered a wholesale client captured 1.9% of the adult population in 2002, which grew to 16.2% by 2021. We received feedback from 16 respondents to our discussion paper and through our industry engagement, recommending the test be reviewed and tightened. Our recommendations reflect the permissive nature of Australia’s current regime, the limited visibility over wholesale funds and the changes over the last two decades, during which the wholesale client test has been in effect.

Our private market surveillance work, expert insights, and stakeholder feedback, along with some recent high-profile failures, have reinforced ASIC’s view about the potential need for some key reforms. This view is reflected in our previous submissions, and some specific additional reforms to the wholesale managed investment scheme framework. We recommend law reform for consideration and evaluation with government in an effort to reconcile Australia’s disparity with international standards in peer jurisdictions.

All of the following law reform proposals and ideas are reflected in key international practices and regimes, including the US, the UK, Europe and Singapore. If adopted in Australia, they could bring us closer to alignment with global practices.

We recommend the following reforms for consideration by government:

Require wholesale fund operators to notify ASIC of wholesale schemes in operation	To effectively supervise the wholesale funds sector, ASIC needs to be aware of the wholesale funds currently being offered to investors. This recommendation was made in our MIS review submission and will support law reform to apply recurrent data reporting obligations to wholesale fund managers (see section 1.2). This reform would enable us to more effectively monitor the broader wholesale funds sector and firm developments and to assess risks. This change would offer greater efficiencies for wholesale fund operators and ASIC in relation to ASIC's supervisory work – largely because ASIC would already have fundamental information about a wholesale fund manager and its funds under operation without requiring this information separately, for every interaction. This would be considered as part of our overall evaluation of the preferred approach to data gathering. In our response to the MIS review, we proposed that wholesale fund operators be required to notify ASIC of the operation of wholesale funds. We propose that the notification would also trigger recurrent data reporting obligations by wholesale fund operators (see Chapter 2: Data and transparency). This would improve transparency for investors, ASIC and the market and enable us to better identify those products and the wholesale trustees responsible for them. It would enable us to more effectively monitor the broader wholesale funds sector and assess risks. Opacity, data gaps, complexity and interconnections make it difficult for investors to assess and monitor risks and potential misconduct, including of trustees and managers.
Extend the retail funds requirement for annual audited financial reports to include wholesale funds	Given the opaque nature of private markets, it is critical that fund assets are appropriately valued and audited. The existing obligation for annual audited financial reports by wholesale fund operators (at a firm level) does not achieve adequate transparency and assurance at a fund level. Our recent surveillance report <i>Accounting for your super: ASIC's review into the financial reporting and audit of super funds</i> (REP 816) found, among other things, that the industry needs to do more to provide greater confidence in the valuation of unlisted fund assets, including by both superannuation trustees and auditors. This potential reform would provide better levels of transparency and assurance about the financial position, assets and risks of wholesale funds and their assets for investors, including superannuation funds, and the market. Investors need transparency and accountability, especially, in structures where misconduct can be hidden. This reform would also promote consistent treatment of public and large private companies, superannuation trustees and retail funds.
Amend the wholesale client tests to increase the current financial thresholds	This reform would avoid undermining the original policy intent of the tests to protect clients with lower financial literacy and resources. See above for further details.

We believe the following reform ideas require serious consideration and will continue to engage with government:

- › **Extending the RE statutory duties to include wholesale fund operators:** The statutory duties that apply to REs under Chapter 5C of the *Corporations Act 2001 (Cth)* codify common law fiduciary obligations. These duties include core investor protections, such as requiring fund operators to act honestly, with care and diligence and in the best interest of members, and to treat members equally or fairly. We consider these protections fundamental and similar fiduciary duties should apply to wholesale fund operators. It should not be possible to contract out of them. The PC report and our surveillance findings revealed repeated poor practices and conduct - such as fund operators prioritising their own interests over those of investors leading to poorer outcomes for investors. In key jurisdictions including the US, the UK, Europe and Singapore, statutory duties apply to both retail and wholesale fund operators.
- › **Require retail and wholesale fund operators to notify ASIC and investors of significant events on a timely basis (including when redemptions are suspended):** Currently, REs must notify investors of significant events within three months. Neither retail nor wholesale fund operators are required to notify ASIC of significant events that affect them and their funds under management (such as a freeze on redemptions). We consider that the absence of such a requirement prevents timely decision making by investors or regulators. Applying timely, significant event notification and disclosure would be consistent with industry good practice. Introducing timely notification requirements on redemption freezes and other important related events, would enable ASIC to intervene and take appropriate action earlier to protect investors and their funds. It will also enable investors to make timely and informed investment decisions. In key jurisdictions, including the US, the UK, Europe and Singapore, significant event disclosures of the kind proposed for consideration apply to both retail and wholesale fund operators.

1.1.6 - Industry's complementary role in lifting practices

Well-functioning markets with strong investor confidence depend on participants upholding both the letter and spirit of the law. Strong foundations are underpinned by consistent, high-quality market practices, and are often complemented by specific industry standards (including obligations based on general principles) (Market report).

We welcome industry submissions and stakeholder feedback on our private credit work, and we note the private market sector's interest in promoting better practices and greater consistency across the industry.

- › One industry association highlighted the role that industry-led guidance can play in providing best practice principles in areas that address private market risks, market efficiency and confidence.
- › One professional body advocated for additional industry-led disclosure initiatives and noted this would help investors compare fees, risk and performance across different investments and private and public investment options.
- › Members of our network of external experts supported the role of industry in raising standards, with several also emphasising the importance of pairing this with strong supervision and enforcement as a deterrent.

While Australian investment bodies have established general standards and guidance and, to varying degrees, they apply some international standards, including International Private Equity Valuation standards, gaps remain - especially in private credit. Industry standards help promote good practices in how participants across the funds management industry comply with the law and promote consistency.

International standards provide a strong foundation for participants to review their current practices; for example, the Standards Board for Alternative Investments and the Institutional Limited Partners Association.

We encourage industry to continue improving industry practices through strengthened and expanded standards for private credit and private markets more broadly within the next 18 months. This should include:

- › **adopting consistent core standards:** including on governance, effective disclosure, valuations and risk management practices, and implementing measures to support compliance and accountability
- › **defining key loan types in private credit:** including investment grade, senior and secured, and other key terms (including self-assessed credit ratings and default and impairment events) to assist understanding of

investment performance and risk exposure by investors, and to avoid a mismatch in risk taken on by investors

- › **promoting fund comparability:** through consistent disclosure and reporting, including consistent reporting formats
- › **enhancing guidance for the valuation of unlisted assets:** including what is meant by valuation, and the role and adoption of different methodologies and data inputs including public market equivalent valuation methods (Market report).

Improved practices benefit investors and the broader economy. They help our markets attract capital, operate efficiently and lower the cost of capital.

From the end of 2025 and during 2026, we will continue to engage with and monitor industry bodies as they develop, enhance, and embed better practices across the market. We expect to start seeing meaningful improvements through our surveillance over that period.

In parallel, we will continue to act on other aspects of our roadmap of future private capital fund sector activities, including a targeted guidance refresh and enforcement.

2 – Data reporting and transparency

2.1 - Data reporting and transparency

Key takeaways

- › ASIC lags behind international peers in the data we have access to, and the breadth, depth and frequency needed to supervise private capital funds confidently.
- › While ASIC is strengthening its use of data, key gaps in funds data limit our visibility into fund conduct, capital markets dynamics, and potential responses of private capital in stress scenarios, including interconnections with the banking system.
- › Effective fund supervision requires law reform to mandate the provision of managed investment scheme data. ASIC will work with industry and other agencies to design and pilot a data initiative across this and the next financial year, informing reform options for ongoing data collection and information-sharing by agencies.
- › ASIC will continue to work with APRA, the RBA and Australian Bureau of Statistics (ABS) to review the registered financial corporations' data collection to enhance its scope of application to non-bank direct lenders (including fund operators) and clarify the data requests made of these lenders.

2.1.1 - What we know

Private markets are opaque. In Australia, there is limited regulatory reporting on managed investment schemes to supplement publicly available information for supervisory purposes, to promote market integrity and investor outcomes. Superannuation funds are required to report detailed information on investments to APRA, but even this data collection is limited by the availability of data on the schemes that make up the underlying superannuation assets.

The growth in private markets means they now play a more significant role in the economy and carry greater risk when things go wrong. To monitor developments and emerging risks effectively, regulators need access to high-quality data from these markets.

This includes:

- › **basic fund information:** such as investment strategy, investors, AUM and key third-party service providers, and
- › **fund-specific information:** including fund flows, types of underlying assets, key counterparties, distributions, fees, performance, leverage and redemptions (Data report).

Nineteen stakeholders, from a broad range of sectors, including professional associations, industry bodies, financial services, legal services, wealth management, superannuation funds, private equity and asset management, emphasised the need for regulators and the market to have timely, reliable information, and are willing to work with ASIC to promote enhanced data reporting.

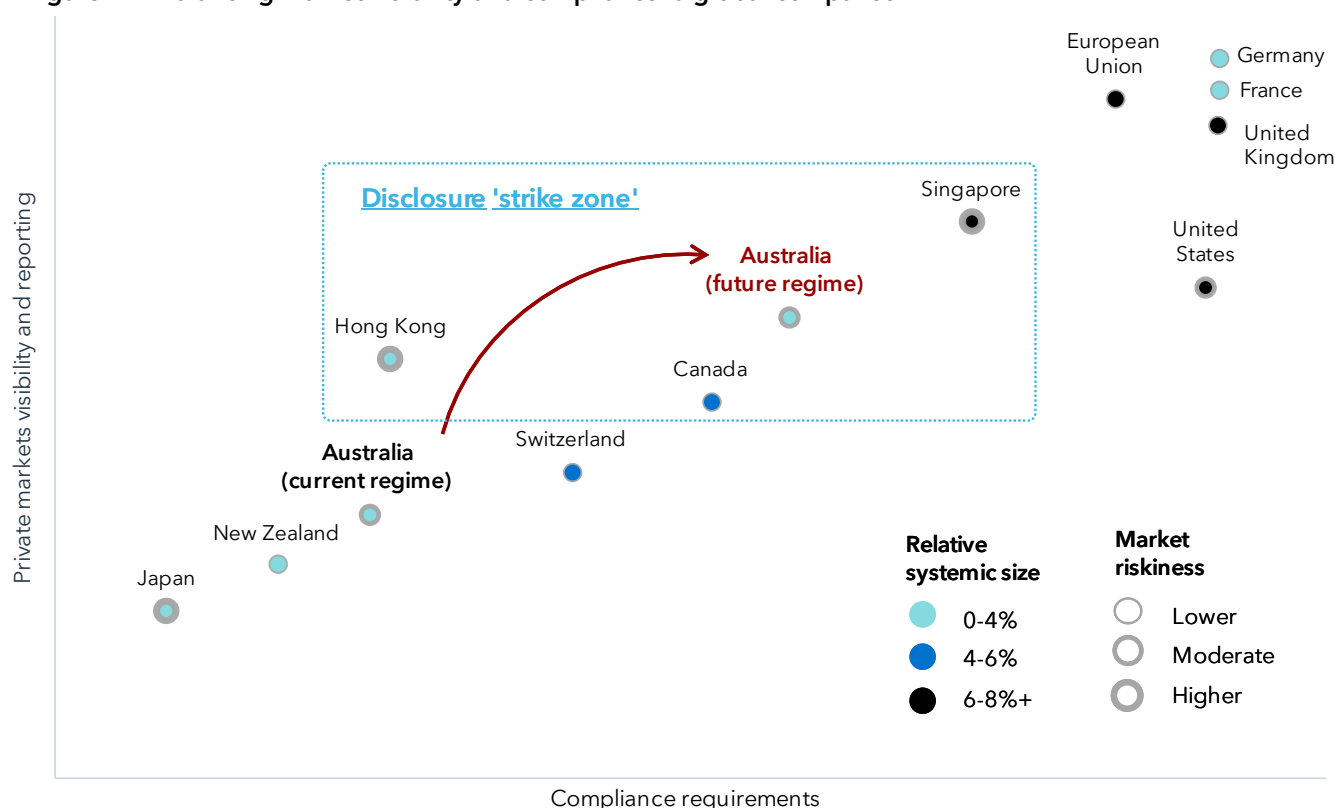
More accurate and timely data would allow ASIC and other regulators to:

- › **monitor and supervise developments in private markets:** including identifying risks and interconnections within the wider financial system, such as with banks and other financial institutions, aimed at promoting market integrity and better investor and borrower outcomes
- › **identify industry participants and risk areas:** so we can target our regulatory and supervisory work to promote confident participation in our markets
- › **assist the Council of Financial Regulators bodies:** in monitoring and overseeing financial system stability and promoting trust and confidence in the financial system

- › **support good decision-making:** by ASIC and other stakeholders on policy development and administration of the law to deliver sound, efficient and effective financial frameworks, and
- › **publish market insights:** to increase transparency and measure market integrity, drive improved performance, and help deliver more confident and informed investor and borrower participation (Data and Market reports).

Australia's data reporting rules for funds lag international benchmarks, undermining market integrity and investor protection. Australia's limited data reporting regime also offers less visibility than other countries – as shown in Fig 2.1. Given the nature, scale, features and relevant risks associated with the Australian private markets funds sector, EY recommends that Australia's data reporting framework should be in a disclosure 'strike zone' more closely aligned with key peer jurisdictions including within our Asian region (Data report).

Figure 2.1: Balancing market visibility and compliance: a global comparison



Source: EY Parthenon analysis based on S&P CapitalIQ

Note: The relative market scale of private to public capital markets compares private market AUM to public market capitalisation in each jurisdiction. The ratio is larger when private markets are larger. Relative market risk compares the standard deviation in the internal rate of return (IRR) - a measure of risk based on volatility in returns) in each jurisdiction to the standard deviation in the IRR across global private markets. The ratio of risk is larger when markets are more volatile than the global benchmark. Comparisons of market risk should be interpreted considering Australia's unique market structure. Australia's private capital sector is characterised by high levels of retail participation relative to peers, with a large share of funds deployed into real estate development assets. As noted in the body of this report, these features can amplify certain risks (e.g. conduct, liquidity and valuation timing), even where the overall market size is relatively smaller.

We are considering how to better leverage existing and potential data sources- including those related to financial services licensees and from APRA. This includes an opportunity to use APRA's existing Registered Financial Corporations (RFC) non-bank direct lender reporting framework to complement private markets data. However, we need enhancements to clarify the application to retail and wholesale fund managers and improve the completeness and quality of the data.

We are not able to publish all data reported to us; however, enhanced data reporting at an aggregate level to ASIC would provide greater transparency to the market around developments and trends.

In the Data report, EY Parthenon recommends an integrated package of options for changing data reporting and transparency in our private capital funds sector to ensure Australia's framework is consistent with the disclosure 'strike zone'. These options are:

- › a voluntary survey of private capital funds
- › a risk-tiered reporting regime for larger and high-risk private capital funds
- › an annual 'state of the private capital funds management sector' report, and
- › work to strengthen governance, standardisation and data sharing.

We believe the recommendations in the Data report are a good starting point for engaging with industry and government on measures to enhance data reporting and transparency across private markets.

2.1.2 – Where to next

Our objective is to ensure data collection is proportionate, targeted, fit for purpose and consistent with a 'collect once' principle across government.

Our future approach will be flexible, so it can accommodate ongoing developments locally and overseas where relevant, including outcomes from recent high-profile failures (including Shield and First Guardian). To be clear, more data alone is no silver bullet against bad actors.

Actions to enhance data reporting and transparency in private markets:

- › **Make better use of available data available for market oversight.** ASIC has a strategic priority to lift data capability and we are driving initiatives to better use available data to inform regulation. This includes reconciling the information we have, responsibly applying advanced analytics to uncover insights, integrating internal and external datasets for a complete view of sectors, and taking proportionate, risk-based actions to protect markets and consumers.
- › **Pilot enhanced data reporting in 2026-27 from a small sample of the funds management sector, including to inform reform options.** We will work with industry and other data gathering agencies to design a data pilot during this financial year, to test the feasibility of gathering funds management data in the 2026-27 financial year. The pilot will help us and industry calibrate baseline data needs across the sector, informed by insights from the Data report. It could also align with the ABS's proposed work to improve the quality of its managed fund statistics. The data pilot will help inform reform options, such as a recurrent data collection power for ASIC and improved data sharing between government bodies.
- › **Continue to explore with APRA, the RBA and ABS a review of the registered financial corporations (RFC) data collection to expand its scope to encompass non-bank direct lenders (including fund operators) and clarify the data requests made of these lenders.**

3 – Superannuation

3.1 – Superannuation

Key takeaways

- › Superannuation's allocation decisions will contribute to the future shape of Australia's public and private markets.
- › Superannuation is a significant contributor to private market growth, with increasing or maintained allocations of capital being directed to private equity, infrastructure and credit.
- › For many retail investors, superannuation is the safest gateway to private markets. However, recent failures in private markets products offered through some superannuation fund menus, including platform funds, have exposed weaknesses in trustee protections. These events have underscored the need for effective disclosure, as described in Regulatory Guide 97 *Disclosing fees and costs in PDSs and periodic statements* (RG 97), and having robust conduct obligations to match.
- › We want superannuation to deliver for Australians at every age and at every stage. As superannuation sector investment in private markets grows, funds must remain focused on their obligations to their members and to the market.
- › This expectation of superannuation trustees includes acting in the best financial interests of members, adhering to laws and standards of market conduct and integrity, ensuring investments - held directly or through fund managers - are valued appropriately, and clearly disclosing and communicating risk to members. This also includes meeting liquidity and asset allocation requirements set to match the portable, defined contribution model of Australian superannuation.
- › Submissions identified the footprint of the superannuation sector on Australian markets and its potential to dominate investments, which means public expectations of stewardship and transparency from the funds as asset owners will likely grow, regardless of the public or private nature of their investments.
- › Regulators will continue to hold trustees accountable for compliance with regulations relating to investment governance, valuations, disclosures, liquidity risk management and financial reporting and related conduct, including management of conflicts of interest.

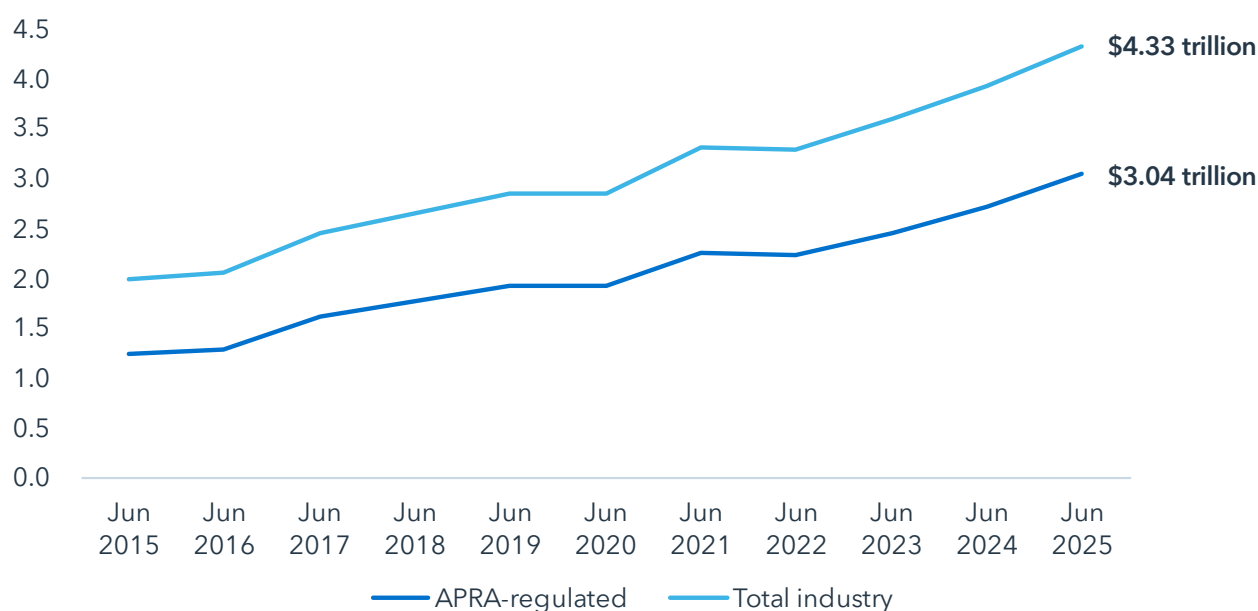
3.1.1 - What we know

Superannuation's allocation decisions will shape not only portfolio returns but also the future structure of Australia's public and private markets (Market report).

Over the past decade, growth in superannuation assets has outpaced growth in Australia's gross domestic product (GDP) and public equity markets. In June 2025, total superannuation AUM reached \$4.3 trillion (including self-managed super funds (SMSFs) that comprise \$1.1 trillion), making Australia the fourth largest pool of superannuation savings globally (see Figure 3.1). We are on track to surpass the British and Canadian pension systems to become the second largest by 2031, despite having only the 55th largest population ([Super Members Council](#)).

This is a good news story for the economy, with superannuation capital driving growth and supporting Australia's retirees, but it has necessitated a broader shift in investment strategies as funds seek to deploy capital, focusing on bigger deal sizes, diversification and enhanced returns.

Figure 3.1: Growth of the Australian superannuation industry



Source: [APRA Annual superannuation bulletin - superannuation entities, 2025](#) and [APRA Statistics, Quarterly superannuation performance, 2025](#)

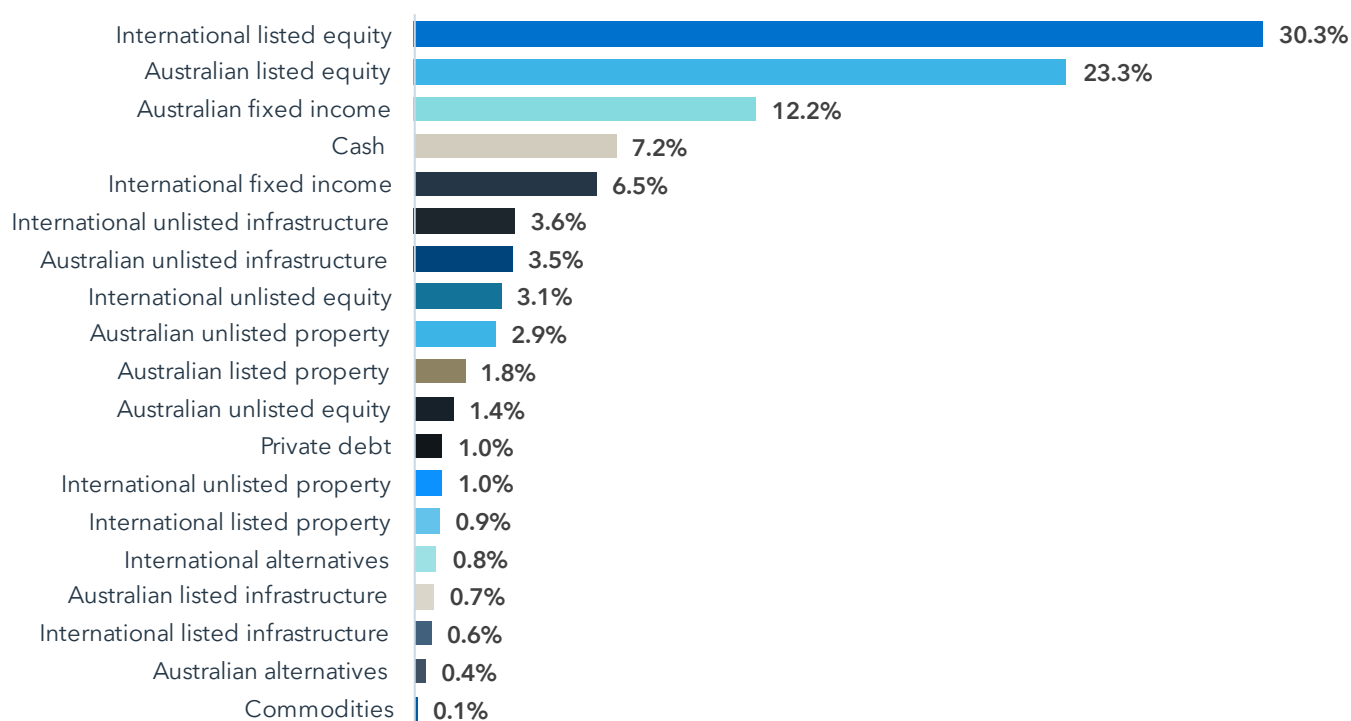
In a 2023 [study](#) about whether having a large superannuation fund benefits members, The Conexus Institute noted that where there are fewer attractive opportunities than assets to be invested, superannuation funds may need to take on less attractive investments, thus diluting returns or raising risk. Superannuation funds have responded by seeking opportunities outside Australia's listed markets including private markets and international public markets.

This dynamic has resulted in a significant shift towards international assets, with superannuation funds' investment allocations to international public equities increasing from 21% to 30% over the decade to June 2025.

Like other global pension funds, superannuation funds have also increased their allocations to private assets. Although, since 2023, allocations have stabilised at an average of about 16 to 18% across the sector (see the APRA quarterly fund-level statistics and [REP 807](#)), even though some of the largest APRA-regulated superannuation funds now hold between 20% and 30% of portfolios in unlisted assets, including infrastructure, property, private equity and private credit (Market report). The scale and long-term horizon of superannuation capital can make it better suited to the illiquidity and irregular cycles of private market investments.

Figure 3.2 depicts the current allocation of superannuation fund assets. Notably, while superannuation investment is a key driver of investment in the private credit sector, the investments in private credit make up only a small share of superannuation fund assets.

Figure 3.2: Australian superannuation industry asset allocation, June 2025



Source: [APRA Statistics, Quarterly superannuation industry publication, 2025](#)

Even if superannuation funds do not change their internal asset allocations to increase their private markets allocation, the size of private market investments will increase proportionally as the superannuation sector grows. Given that superannuation sector assets more than doubled over the past 10 years (APRA Quarterly Superannuation Statistics) and growth is expected to continue, this will result in significant new private sector investment.

Superannuation is the dominant idiosyncratic factor in Australian investors' participation in private markets compared to global directions and trends (Market report). In addition to providing investment, superannuation will help Australia's private markets mature. For example, superannuation investment in private markets is expected to contribute to demand for mechanisms that enable trading of those holdings. More generally, superannuation trustees will continue to play a key role in driving private markets into mainstream investment practices, including by facilitating retail investment.

Australia's superannuation system is underpinned by a relatively mature regulatory framework, operating under what is described as a 'twin peak' model with APRA and ASIC as joint peak regulators. Under this model, APRA ensures superannuation trustees prudently manage their business operations in a manner consistent with their members' best interest obligations and the delivery of quality outcomes. ASIC's role is primary responsibility for ensuring trustees meet their conduct obligations in their dealings with and servicing of their consumers (the members), including providing disclosure and advice to members and ensuring members have access to complaints processes. Alongside APRA and ASIC's roles, the Australian Taxation Office (ATO) regulates SMSF compliance with superannuation and tax laws.

Many large overseas pension funds are defined benefit funds, meaning they guarantee a fixed payment, regardless of macro financial conditions. By contrast, Australia's superannuation funds are mostly defined contribution funds, meaning that members pay a fixed amount into the fund and receive payments that vary based on investment returns. While this is beneficial for financial stability, since investment losses do not generally affect the ability of superannuation funds to meet their obligations, it also underscores the importance of strong governance arrangements in superannuation, as investment losses are borne by superannuation fund members.

Choice

Through their superannuation, Australians have considerable choice as they access a broad suite of public and private market investments. Australians can choose their superannuation fund and product, and some funds offer additional choice, such as through investment platforms. Trustees offering investments via platforms make up one of the fastest growing segments of the superannuation system, with growth of approximately 14.5% in the 12 months to June 2025 ([APRA calls for stronger action by platform trustees](#)).

Superannuation platforms offer members substantially more choice than non-platform APRA-regulated superannuation funds, typically offering hundreds of investment options, including both listed and private assets. Members of funds offering platform products are usually assisted by a financial adviser. An industry association response to our discussion paper representing most superannuation trustees offering platform products urged for regulatory restraint, particularly in regard to valuations, given the different offering of platforms compared with other APRA-regulated superannuation trustees.

Trustees must exercise care, skill and diligence in relation to all matters affecting the fund, irrespective of the business model. This includes complying with valuation governance requirements. Superannuation trustees also have obligations to prudently select and monitor the investments made available to members, including in private markets. This provides some protection for members, and for many retail investors, superannuation represents the safest way to access private markets and their returns. The recent high-profile failures in private market products held on the menus of some superannuation funds, including but not limited to platform funds, have exposed weaknesses in the protections offered by trustees, and both APRA and ASIC have called on the sector to lift standards. These recent events have underscored the importance of effective disclosure, such as the obligations described in Regulatory Guide 97 *Disclosing fees and costs in PDSs and periodic statements* ([RG 97](#)), and of robust conduct obligations to match.

Super's balancing act

Private markets, with few exceptions, lack the established and mature tools of transparency, price discovery and market clearing found in public markets. They also do not have established and mature governance and listing rules and disclosure regimes. Superannuation funds must, on behalf of their members, balance any heightened risk arising from private markets with their need for diversification and performance.

It is critical that regulators continue to work collaboratively to hold trustees accountable. As outlined in section 1.1.2 on private credit, recent work by both APRA and ASIC identified weaknesses in superannuation trustees' governance arrangements. APRA's work on unlisted asset valuations identified shortfalls in valuation governance and liquidity risk management ([APRA, 2024](#)). Report 816 *Accounting for your super: ASIC's review into the financial reporting and audit of super funds* ([REP 816](#)) found that superannuation trustees and auditors need to do more to ensure that valuations of assets in financial reports are reliable and give members confidence in their investments. We also found that auditors did not adequately challenge the valuations provided by external fund managers. These are important issues for the sector to address, since inconsistent or inappropriate valuations reduce member returns and, in stressed conditions, can amplify liquidity pressures (Market report).

The RBA's latest Financial Stability Review included a focus on superannuation noting that, although the superannuation sector has historically been a key source of support to the Australian financial system, its size now means it may have the potential to amplify financial market stress in severe scenarios. Australia's aging population is another important factor, given its implications for superannuation fund liquidity as the balance between contributions and withdrawals shifts. If allocations to private markets increase, superannuation liquidity mismatches and valuation lag risks could intensify (Market report). APRA is considering these issues, and it included superannuation in its 2025 system-wide stress test that, among other things, tested the impact of a crisis on superannuation fund liquidity and potential channels of contagion.

Others have also considered the possible systemic impact of superannuation. The Conexus Institute's report on the [systemic impacts of 'big super'](#) contained a number of recommendations for policy makers, regulators and superannuation funds. It called out two areas for industry uplift: operational infrastructure and risk management, notably liquidity stress testing. Currency hedging and credit counterparty risk have been identified as possible transmission mechanisms through superannuation in a stress event, particularly one with an international origin

and that causes material dislocation in listed and unlisted valuations. Equally however, operational risk failures, such as large-scale outages, member service failures, or a malevolent cyber event, could damage system confidence triggering liquidity stress that may transmit from the funds into our financial system.

Superannuation is a structural driving force in Australian markets. Australians gain access to a broad range of public and private market products through their superannuation funds. It will continue to be a key means for retail investors to participate in private markets and benefit from the investment expertise of their superannuation trustee.

3.1.2 - Where to next?

As stewards of Australia's retirement savings, superannuation trustees must be held accountable for meeting their obligations to their members and as market participants. Given the significance of superannuation, ASIC and APRA have critical roles to play in regulation, supervision and monitoring. ASIC and APRA work closely with the RBA in the monitoring of risks to financial stability in the financial system. ASIC's work will also continue to reflect the size, importance and interactions of superannuation in Australia's markets.

See Roadmap for ASIC's future work relating to superannuation.

The role of industry in lifting practices

To assist superannuation trustees to comply with their obligations, we encourage them to consider the recommendations in the following ASIC publications and lift their practices where needed.

- › Report 816 *Accounting for your super: ASIC's review into the financial reporting and audit of super funds* ([REP 816](#)), including:
 - doing more to ensure that valuations provided by external fund managers are reliable, and
 - ensuring fair value disclosures are sufficient to enable members to understand the nature of the investments and assess the reliability of valuations.
- › Report 779 *Superannuation choice products: What focus is there on performance?* ([REP 779](#)), including:
 - undertaking appropriate due diligence before offering members options via investment menus or approving options for use by advisers, and
 - monitoring for underperformance including by assessing performance against return objectives and performance benchmarks.
- › Information sheet 278 *Inventory of superannuation trustee transparency and disclosure obligations* ([INFO 278](#)) includes the following summary information about each obligation:
 - **Audience/channel:** who the information or disclosure is directed to or where it needs to be published
 - **Frequency:** how often the information or disclosure must be published, given or updated
 - **Timing:** when the information or disclosure must be published, given or updated
 - **Source:** where the obligation is found in legislation
 - **Guidance/further information:** links to relevant guidance published by regulators or further information.

Trustees can also consider guidance from other regulators, such as APRA's report on unlisted asset valuation and liquidity management in superannuation ([Governance of Unlisted Asset Valuation and Liquidity Risk Management in Superannuation - December 2024 | APRA](#)) and letter to platform trustees on strengthening investment governance and member outcomes ([Strengthening investment governance and member outcomes in Platform Trustees - October 2025 | APRA](#))

4 - Public markets

4.1 - Public markets

Key takeaways

- › Confidence in resilient market infrastructure is a cornerstone of healthy public and financial markets.
- › Public and private market dynamics are shifting due to structural and cyclical factors. Structurally, companies are seeking flexibility and are increasingly turning to abundant private capital with less public scrutiny.
- › Public market infrastructure remains fundamental for capital formation and price discovery but face challenges from declining listings and increased competition globally.
- › While not the primary cause of declining listings, regulation is seen by some as a contributing factor, with cumulative effects amplified by public scrutiny. This is exacerbated where listed entities are also subject to additional sectoral obligations such as accountability regimes.
- › ASIC is committed to promoting innovative, competitive and clean public markets, and to supporting their attractiveness. With technological innovation reshaping markets, we acknowledge our role in facilitating this evolution and encourage the market to be ambitious.
- › Our actions are informed by a broad range of ideas and feedback on our discussion paper. We are progressing ideas within our remit, including on IPOs and simplifying compliance for companies.
- › ASIC believes market operators must continue to improve market structure and listing frameworks, including for SMEs.
- › We encourage the ASX and its advisory group to consider the benefits of simplifying future editions of the Corporate Governance Principles and Recommendations and ensuring that they do not unduly deter entities from listing or remaining listed on the ASX.
- › We received several policy ideas beyond our remit, including on disclosure, governance and revitalising the corporate bond market. Should the government consider any of these ideas as part of wider efforts to simplify regulation and lift productivity, ASIC is open to assisting and will engage further on opportunities to deepen domestic debt capital markets.

4.1.1 - What we know

Structure and opportunity

Public markets are foundational to Australia's economy. They are built on transparency and disclosure, enabling efficient capital formation and widely accessible and mature direct and indirect investment opportunities for wholesale and retail investors. A range of regulatory tools, both formal and informal, can be used to encourage good practices that build public confidence and make investing in these companies attractive for retail investors.

Public markets also provide an important pricing and valuation benchmark of broad public benefit, acting as a barometer of the economy's health. They enable companies to efficiently raise capital to grow, where private capital may be unavailable. This is particularly important to Australia's extensive mining, biotech and innovation sectors. Public financial market infrastructure provided in a stable, resilient and reliable manner is essential for maintaining trust and confidence in public markets.

Australian and global public markets are undergoing structural changes due to the growth of private markets. For example, private equity bidders (including family investment offices and asset managers) accounted for 20% of takeover bidders in the 2024-25 financial year, which is consistent with the five-year average ([Herbert Smith](#)

[Freehills Kramer Australian Public M&A Report 2025](#)). IPO activity in 2025 remains subdued compared to historical averages, with 31 listings in the year to date (ASX).

Changing investor profiles in public markets may increase volatility in some market stress scenarios. For example, large institutional investors with significant passive listed asset investment allocations have a growing influence in public markets and may increase the potential to reduce the tradeable pool of listed assets in stressed scenarios, thereby intensifying price volatility (for example, see [An anatomy of the 2022 gilt market crisis, Bank of England, 2023](#)).

The increasing presence of large index funds and passive index-based investment in Australia's public markets may also draw investment allocation away from smaller-cap businesses (Market report) and contribute to market volatility in times of market stress. According to [BetaShares](#), exchange traded funds (ETFs) alone reached a record high of \$309.3 billion in funds under management in September 2025, representing year-on-year growth of 36%.

In the discussion paper we asked whether there needs to be greater harmonisation in the regulation of public and private companies. Responses generally supported a lowering of requirements for public companies but were mixed regarding private companies. Our current regulatory settings recognise the structural differences and varying risks for investors between private and public companies.

As mentioned in the Private markets chapter, ASIC administers obligations that apply to both public and private companies in a consistent manner, while taking into account the differences.

Drivers of change in public markets

Evidence shows that regulation is not the primary driver of declining listings on Australia's public market. The main drivers are the changing needs of companies – private structures being less capital intensive, with a longer-term horizon – and the plentiful access to private capital, which is flexible and less encumbered by governance obligations and public scrutiny (Market report).

Nonetheless, there are some strongly held views, including those expressed in some submissions to our discussion paper, that regulation is a factor that can have a cumulative effect, and may be amplified with the additional public scrutiny that operating as a listed company brings. As noted in our engagement with company directors, regulation can lead to public expectations beyond those required by law.

The Market report highlights that the strength of arguments concerning regulatory impact on listing decisions varies across four plausible future scenarios. In the scenarios, where public market listings revive or where both public and private markets expand, credible reforms to listing requirements could play a meaningful role in attracting new listings. In contrast, in scenarios of private market dominance or dual contraction of public and private markets, regulatory adjustments are likely to have limited influence in countering the broader structural forces discouraging listing activity.

The submissions identified several additional factors discouraging listings, including the involvement of proxy advisers, greater media reporting on listed companies, and the ability of other activists to use interests in listed entities to advance agendas unrelated to financial performance.

Technological innovation, such as AI, asset tokenisation, and changes in digital trading platforms and clearing and settlement infrastructure will continue to transform how public markets function and could blur the future line between public and private markets.

Cyclical developments (e.g. inflation and interest rate levels) also impact the growth of new listings and the retention of listings on Australia's public markets. Despite the declining net listings, financial markets around the world sit at all-time highs, suggesting changes are not just cyclical.

In the responses we received, there is a perception that listed markets tend to cater to shorter-term investment horizons, influenced by the immediacy of pricing and information. Cyclical factors, including the abundance of available capital in the system, have diminished the perceived value of liquidity. There are open questions about whether a structural or permanent shift has occurred, or whether a stress scenario (with capital outflows) may reset the cycle. The [recent work of the Financial Markets Standards Board](#) has also made consistent and

important observations about market evolution, including the role of technology as a driver of change, as well as risks to fair and effective markets.

There is uncertainty about whether public and private markets will both expand in absolute terms, depending on things such as how issuers and investors allocate between these markets and how each market shapes price discovery, governance and capital allocation (Market report).

Fostering competition, attractiveness and efficiency

The Australian public market has some distinct characteristics.

- › The ASX is the primary **listing** market operator, with Cboe Australia also admitting ETFs and warrants, and recently being approved to launch a corporate listing market. The National Stock Exchange (being acquired by the Canadian Securities Exchange) has around 50 listings. The Sydney Stock Exchange has no active listings.
- › The ASX and Cboe Australia compete in secondary trading of ASX listed securities, with ASX accounting for around 80% and Cboe Australia around 20% market share of continuous trading.
- › The ASX is the main **provider of financial market infrastructure** for our public markets, offering equities, futures trading and clearing, as well as settlement for debt and OTC derivatives. The ASX is self-listed and has no second board (i.e. primary board listing rules apply for entities of all sizes and sectors).

On 31 October 2025, Cboe Global Markets announced plans to sell its Australian and Canadian businesses as part of a strategic shift toward its core derivatives offerings and noted both markets are well-positioned for future growth. ASIC will support an orderly transition to a suitable buyer for Cboe Australia.

Competition in trading has driven innovation, resilience, liquidity, and lower costs in Australia's securities markets - benefiting investors, companies, and the broader economy.

With intensifying global competition for listings and growing availability of private funding markets, it is essential that Australia's public markets remain internationally competitive, efficient and attractive.

We continue to streamline processes and obligations to support entities seeking to publicly list. Market operators should consider the feedback from the discussion paper and the Market report. For example, there were ideas to better support small to medium listed companies, private market trading solutions and innovative index products. ASIC is open to considering these ideas and welcomes engagement on initiatives that enhance market functioning and inclusiveness.

We also heard feedback that ASIC should take further steps to facilitate competition in financial markets and clearing and settlement services and to ensure Australia's regulatory framework operates in a market neutral manner that does not disadvantage competitor businesses.

Some policy ideas raised by stakeholders are more appropriately matters for industry or government than for ASIC. For example, simplifying the ASX Corporate Governance Council Principles (a matter for ASX) and simplifying executive remuneration disclosure and the legal framework for bond markets (matters for government). We are open to assisting the government and stakeholders in considering these matters.

4.1.2 - Where to next?

ASIC received a range of constructive suggestions for enhancing the appeal of Australia's public markets to companies and investors. In addition to those already mentioned, ideas included

- › streamlining IPOs and disclosure requirements
- › simplifying director responsibilities (particularly where public company obligations differ from private companies, such as those arising from the ASX Corporate Governance Principles and prudential governance standards)
- › amending listing rules such as free float requirements and
- › facilitating more foreign listings and alternative share structures.

Most of the ideas and topics discussed next relate to equity markets. In section 4.5, we discuss ideas to enhance the depth and liquidity of Australia's listed bond market.

4.2 - Market operations

4.2.1 ASIC's approach and activities

We remain focused on the fair, efficient and resilient operation of Australia's financial markets and clearing and settlement infrastructure. In June 2025, we initiated [an inquiry into ASX group](#), focusing on governance, capability, and risk management frameworks and practices across the group. The decision to initiate an inquiry followed repeated and serious failures at ASX group. The Inquiry panel members bring deep experience on these issues, and will provide a report to ASIC by 31 March 2026, which will inform next steps ASIC may take. ASIC will make this report public.

The success of ASX's Clearing House Electronic Subregister System (CHES) replacement will play a significant role in underpinning confidence in public markets. Meanwhile, financial markets participants need to have confidence in the resilience, stability and competitiveness of our domestic market infrastructure as a foundation of healthy public and traded markets.

We actively support measures to enhance the attractiveness of Australian markets and better align with international peers, including through [encouraging competition and innovation](#), attracting more foreign capital and diversifying product offerings. For example, [ASIC recently approved the listing rules for Cboe Australia opening the door to IPO](#) and dual-listed foreign entities on the Australian market.

Four companies have made use of ASIC's pilot issued in June 2025 to streamline its approach to prospectuses, though it is too early to assess the impact of this pilot.

Supporting competition

We received feedback that some ASIC guidance and instruments may favour specific financial market infrastructure providers. Making guidance and instruments more agnostic could foster a more level playing field for competition. Additional ideas include improving neutrality around indices and platform access to further support competitive outcomes.

We are reviewing entity references in our regulatory guides and instruments and expect this work to be complete by the end of 2026. We will consider whether we could adapt other regulatory or market features to be more provider agnostic and support competition.

Fostering innovation

We have already seen an increase in services designed to support private markets. We have licensed FCX, the first distributed ledger technology tokenised market and settlement platform.

We welcome and encourage innovation.

Maintaining market cleanliness and integrity

As noted earlier, we remain focused on maintaining market cleanliness to support market integrity, trust and confidence. This work includes monitoring corporate transactions (including for leaks of confidential information) and trading activities across listed and OTC markets (including suspicious trading ahead of market announcements). It is also important to have effective market stress controls to protect the market, participants and investors during periods of extreme stress or aberrant trading.

Since the [release of our market cleanliness report in July 2024](#), we have continued to explore approaches to measuring market cleanliness for trading in government and semi-government bonds and take-private transactions. This work will continue. We are also reviewing market stress controls and expect to release a report in the first half of 2026.

ASIC periodically assesses the cleanliness of Australia's financial markets and publishes reports of our findings. We are due to undertake this work again later in 2026 and we continue to evolve our consideration of market cleanliness, assessing new markets and considering new methodologies.

4.2.2 - Market operators - review of listing frameworks

The forces driving change extend well beyond regulation. We want Australia's financial markets to be innovative and able to quickly respond to developments.

Market operators must continually examine whether existing market structures and listing frameworks remain fit for Australia's future, including their ability to support growth and innovation in a rapidly evolving landscape.

We strongly encourage market operators to pursue forward-thinking reforms in the years ahead to strengthen and modernise Australia's public markets. As outlined in the Market report, there are additional ideas (including from international markets) beyond those already identified in our findings, including:

- › potential future listing framework adjustments that tackle liquidity and research coverage challenges for smaller listed companies
- › the introduction of private market trading solutions
- › the potential for more expansive mutual recognition regimes
- › alternative listing options, and
- › intermittent trading to concentrate liquidity in less liquid stocks.

We also expect market operators to engage with the [recent work of the Organisation for Economic Co-operation and Development](#) (OECD) and [World Bank SME Finance](#) on the challenges faced by growth companies in accessing capital and the emergence of growth markets to help address this funding gap and ease access to capital.

We will continue to engage with the ASX on its commitment to consult on changes to the listing rules to enhance the attractiveness of its public market in response to ASIC's work. We expect the ASX will focus its attention on a combination of proposals that are easier to implement (such as free float requirements at time of listing) as well as some of the larger structural challenges.

Consider the one-size-fits-all approach for listed entities

The ASX, as Australia's largest financial market, hosts both large global entities and a long tail of small to medium enterprises (SMEs) and growth companies. Building on the OECD's and World Bank's observations on SME challenges, the Markets report raises the question of whether the same governance and disclosure requirements should be consistently applied across all publicly listed companies in Australia.

While Australian listed markets are relatively permissive, there is merit in exploring tailored, potentially lighter disclosure and governance frameworks for SMEs seeking to list, supporting access to growth capital and encouraging public listings. This may be particularly beneficial with Australia's significant mining, biotech and other innovative start-up sectors that contribute to the long tail of listings on the ASX. Any change could include a transitional period or pathway to full requirements similar to the approach in the US under the Jumpstart Our Business Startups (JOBS) Act 2012.

This is a matter for further reflection and discussion with industry to better understand the barriers to structural changes in disclosure and governance frameworks. **Where reform considerations arise, ASIC stands ready to assist the government in reviewing and shaping these settings.**

Free float requirements

Free float refers to the publicly traded securities of a listed entity that are not held by insiders or strategic shareholders and are available for trading. Currently, Australia's market operators have a free float requirement of between 20% and 25%. This is higher than in markets such as the US and UK, where the minimum is 10%. Reducing the threshold could attract more listings, especially from larger companies in high-growth sectors like

technology and life sciences, by allowing founders to retain larger stakes, while maintaining liquidity. However, particularly for smaller companies, lower free float requirements may lead to greater price volatility as fewer trades could move the price. The impact of superannuation, ETF and passive investors needs to be considered in any proposal to change free float requirements as well as S&P recently lowering the minimum free float requirement from 30-% to 15%.

We support market operators consulting on whether adjustments to free float requirements are warranted, considering market developments.

Foreign exempt listings

ASX is considering lowering the financial thresholds for foreign exempt listings to make the ASX more attractive as a secondary listing venue for foreign entities. Currently, these thresholds are higher than those for standard ASX listings, ensuring that only substantial and established foreign companies qualify for listing. ASX is considering lowering the market capitalisation threshold from \$2 billion to \$500 million, which is above the current entry level of the S&P/ASX 300 index, while removing other financial thresholds.

We support the ASX and other market operators consulting on whether adjustments to foreign exempt listing requirements would be beneficial, considering market developments.

Dual-class shares

Dual-class shares provide different levels of voting rights. Founders or early investors use this structure to retain control while raising capital.

Many global exchanges now permit dual-class shares to attract founder-led listings. Well-known companies such as Atlassian, Google, and Facebook, have used the structure.

We note there are mixed views globally on dual-class share regimes. To date, we are not convinced that adjustments to permit dual class shares are warranted. Interest in the subject of dual-class shares has re-emerged globally and domestically, and we are open to reconsidering their potential where careful consideration of the merits and risks has been undertaken and appropriate safeguards are proposed.

If any Australian market operator wishes to pursue this idea, they should also consider the potential safeguards identified in the Market report to protect the interests of shareholders and promote good governance outcomes. These safeguards include voting caps, transferability requirements, sunset clauses and enhanced disclosures.

4.3 - Listing frameworks - regulatory settings

4.3.1 - ASIC's approach and activities

We have already taken action to support new IPOs coming to market with the pre-lodgement reviews of ASX fast-track prospectuses - an initiative that has received positive feedback from lodging parties. We have also considered ideas in relation to forecasts, pre-prospectus advertising, prospectus length, trading plans and sell-side research.

Use of forecasts in prospectuses

We received some requests for more flexibility around when forecasts are required, whether they can be disclosed as a range, and making forecasts optional for all issuers – especially where risk factors make them uncertain or impractical. Concerns include cost, time and reputational and liability risks, as well as issues where dual listings are contemplated but have differing requirements (e.g. the USA).

The Corporations Act requires disclosure of a company's prospects. ASIC Regulatory Guide 170 *Prospective financial information* ([RG 170](#)) - informed by case law - confirms that forecasts are expected where reasonable grounds exist. This is an important long-standing feature of the Australian capital markets regime and differentiates Australia from global practices in a positive way. There is flexibility in how forecasts are presented, for example, their duration and in limited cases, the use of meaningful ranges.

We note there are policy changes in other major jurisdictions encouraging the inclusion of forward-looking information such as forecasts in prospectuses. The Financial Conduct Authority in the UK recently published Policy statement 25/9, changing liability settings to encourage the inclusion of forward-looking information in prospectuses ([PS25/9: New rules for the public offers and admissions to trading regime](#)).

We will continue to engage with industry, clarifying our guidance as to when a forecast is required and confirming flexibility in how they can be presented, including their duration and use of meaningful ranges.

Modernising IPO publicity restrictions

Some stakeholders have advocated for modernising pre-prospectus publicity rules, aligning them with the product disclosure statement (PDS) advertising regime. Although originally sensible, the prospectus advertising restrictions are different from PDS documents and now appear outdated and inappropriate considering how information is shared today.

We are reviewing Regulatory Guide 254 Offering securities under a disclosure document ([RG 254](#)) and considering a class instrument to address these issues, with an update expected this financial year.

Reviewing prospectus guidelines for clear, concise and effective disclosure

Some stakeholders advocated for shorter prospectuses as the length and technical nature of a prospectus can be burdensome for investors and issuers. Our analysis suggests that prospectuses have grown significantly in length over the past two decades, averaging 266 pages in 2024, more than doubling from 109 pages in 2005. Mining-related prospectuses are even longer, averaging 353 pages in 2024 due to extensive technical reports.

We will review guidance in Regulatory Guide 228 Prospectuses: Effective disclosure for retail investors ([RG 228](#)) in the next financial year to assess its effectiveness, consider global developments, and determine whether mining-related prospectuses could be more concise. We also encourage issuers and their advisers to actively manage the length and complexity of these documents.

Reviewing sell-side research guidelines

Some respondents suggested Regulatory Guide 264 *Sell-side research* ([RG 264](#)) is too prescriptive when compared with international regimes and should be more aligned with overseas practices.

We have already started reviewing this guidance, undertaking international comparisons and engaging with stakeholders and overseas regulators to assess the impact of the guidance on the quality and availability of research.

We are open to simplifying our guidance while preserving research independence and conflict management and will provide an update to the market on our next steps before the end of 2025.

Insider trading prohibition and trading plans

Some feedback highlighted non-discretionary trading plans for company insiders as a potential reform to support public listings. A change to Australia's insider trading prohibition was previously recommended by the Corporations and Markets Advisory Committee in 2003 and by the Senate Select Committee on Financial Technology and Regulatory Technology in 2021. Trading plans - known as Rule 10b5-1 plans in the US - have a long history allowing executives and other insiders to establish pre-set trading plans that facilitate the orderly sell down of shares, even when they may otherwise be deemed to have 'inside information'.

We see merit in this idea. Any change would require law reform and we are willing to support industry and the government in considering reform options.

Greenshoe options - reconsider 'no action' position

Feedback suggested that the 'greenshoe' option is one of the most successful mechanisms for protecting the aftermarket in jurisdictions such as the USA, UK and Hong Kong. A greenshoe option enables the underwriters to stabilise the stock price and smooth out price volatility in the aftermath of an IPO.

We see merit in considering altering our ‘no action’ position on greenshoe options. However, it is not a near-term priority, noting this mechanism will likely only be used in the largest IPOs, and that IPOs of this size have successfully floated in Australia without the need for greenshoe options.

Other ideas we received

- › **Alignment of the PDS and prospectus disclosure regimes for listed trusts:** ASIC considers this is not a priority matter but is open to considering it in the longer term.
- › **Special purpose acquisition companies (SPACs):** We are unlikely to support market operator proposals for changes to listing rules for special purpose acquisition companies due to harms we have observed in overseas markets.
- › **An increase in the \$30,000 limit on share purchase plans:** We are unlikely to reconsider this in the near term.
- › **Accelerated rights issues and placements, and retail involvement in institutional bookbuilds and placements:** ASIC will make no changes but will monitor developments.
- › **Relief for underwriters from the substantial holding notice requirements for voluntary escrow:** An ASIC instrument related to voluntary escrow was recently incorporated into the Corporations Act, so any further modifications are unlikely in the near term.

4.4 - Corporate governance

4.4.1 - ASIC action – simplifying the Financial Accountability Regime

The joint project to streamline the operation of the FAR is the result of a recent collaboration between ASIC and APRA. The overlay of accountabilities of governance members in listed companies by the accountabilities imposed on this regime specific to financial institutions was identified in responses to our discussion paper and several stakeholders have raised that the reporting requirements under the FAR – which include keeping detailed accountability maps up to date – are too burdensome. To address this, ASIC and APRA will consider whether to modify the FAR regulations and administration (see Report 813 *Regulatory simplification* ([REP 813](#))). The goal is to promote accountability and risk management, not to promote risk administration.

4.4.2 - ASX corporate governance and obligations

Feedback to the discussion paper mentioned that the ASX Corporate Governance Council’s Principles and Recommendations (the principles) had added complexity over multiple editions. The ASX recently commissioned an independent panel to undertake a review of the process for developing and maintaining corporate governance principles and practices applicable to ASX-listed entities.

Following recommendations by the independent panel, the ASX announced that it will assume ultimate responsibility for developing, approving and issuing the principles, supported by an independent advisory group.

In its report, the independent review panel saw scope for simplifying future editions of the principles making them shorter and less prescriptive, while also noting that they shouldn’t duplicate existing laws or regulations. The final decision will ultimately be a matter for the ASX and its advisory group to consider.

We encourage the ASX and its advisory group, once appointed, to promptly turn their attention to refreshing the principles, which were last updated in 2019. In doing so, we encourage the ASX and its advisory group to consider the benefits of simplifying future editions of the principles and ensuring that they do not unduly deter entities from listing or remaining listed.

4.4.3 - Policy matters

We received a range of policy ideas in response to our discussion paper that extend beyond our remit and into areas of government policy. These include the very real challenges faced by directors of public companies that

expose them to risks, contribute to short-termism or an imbalanced focus on certain issues at the expense of others. We understand these challenges and are engaging with the government and industry as part of the government's broader growth agenda to support better regulation in the financial sector.

Director and company liability settings

A range of issues have been raised with us broadly relating to the obligations and liability regimes applying to listed companies and their directors. These included concerns about some overlapping liability regimes (including ASX Listing Rules and FAR), inconsistent penalties and defences, and our enforcement approach, particularly relating to 'stepping stone liability'.

The submissions suggested that these concerns, and perceived risks relating to ASIC enforcement action and shareholder class actions, were a deterrent to private entities going public, and public companies remaining public.

In general, we think it is appropriate that ASIC has a range of grounds and regulatory tools available if directors fail to meet their obligations to a company. We do not exercise these powers lightly.

We acknowledge concerns raised about overlapping liability regimes affecting disclosure obligations. We are open to change and are engaging with the government as part of broader efforts to enable simplification and enhance productivity. We have committed to some specific initiatives aimed at simplifying the FAR regime.

Remuneration reporting

Some stakeholders raised concerns about remuneration reporting requirements. This includes concerns that these requirements are overly prescriptive, and that reports are highly burdensome and time-consuming to prepare with limited benefit to shareholders due to their length, complexity and lack of readability. This was one of the areas where submissions most strongly distinguished, and at times questioned, the higher expectations of public versus private entities.

ASIC undertook some preliminary analysis comparing Australia's remuneration reporting requirements to other jurisdictions. Australia's remuneration reporting requirements appear more extensive than comparable jurisdictions. Specifically, Australia:

- › has more prescriptive requirements about what needs to be included in remuneration reports
- › is broader in scope about whose remuneration needs to be disclosed compared to most other jurisdictions, and
- › requires the remuneration report to be audited, while other jurisdictions do not require this or only require it in part.

We note that some overseas jurisdictions are taking steps to simplify remuneration reporting requirements.

We have limited scope to reduce the remuneration reporting requirements set out in the Corporations Act given the clear policy intent expressed in the legislation. We are open to change and to engaging with the government on this matter as part of broader efforts to enable simplification and enhance productivity.

Two strikes rule

Some stakeholders raised concerns about the 'two strikes' rule. This included concerns that:

- › the rule is not being used for its intended purpose – shareholders using it to express dissatisfaction with boards on a wider range of issues, rather than to have a say on executive pay
- › remuneration votes, particularly where there is a strike, take up significant management time and attention, distracting focus from the business, and
- › the 25% threshold gives outsized influence to minority shareholders.

Stakeholders provided anecdotal feedback that the rule is making it harder to attract quality directors and making listing less attractive. Some argued that it places Australia out of step with other jurisdictions.

While Australia's 'two strikes' model is relatively unique (only South Africa has a broadly equivalent regime, but with a 50% threshold), most other jurisdictions have 'say on pay' measures such as non-binding votes on remuneration. The specifics of these measures vary widely across jurisdictions.

[Since the introduction of the rule](#), there have been, on average, 23 remuneration strikes a year for ASX 300 companies. However, this has increased in recent years, with 41 and 40 strikes in 2023 and 2024, respectively.

The rule gives investors influence over remuneration and may be used to support corporate governance.

The submissions only provided anecdotal evidence to support the statement that the two strikes rule is deterring quality directors. Other submissions noted that many very capable directors continue to join listed boards.

We support the policy intent behind the two strikes rule. However, we acknowledge concerns from company directors and other stakeholders about its application in its broader context. This is a complex policy issue that is a matter for the government to consider.

Continuing relevance of proprietary versus public company distinction - size-based governance

Proprietary companies are subject to a limit of 50 non-employee shareholders and are generally restricted from raising funds from the public (with a notable exception for companies raising funds under the regulated crowd-sourced funding regime). The restriction on public offers is necessary to protect retail investors, although the 50-shareholder limit has been queried on several occasions. Other jurisdictions, such as the UK and New Zealand, do not impose a limit on the number of shareholders in a private company. In the US the shareholder threshold for a company to be considered public is now 2,000 shareholders following amendments under the JOBS Act.

We see merit in examining whether changes could better support companies to innovate and grow before they trigger public company governance requirements. We are open to assisting the government in considering these settings.

4.5 - Bond markets

The ASX and industry participants have been advocating for legislative changes to promote a viable listed bond market as part of the Corporate Bond Reform Working Group. Recommendations to promote a retail corporate bond market were made in 2021 by the House of Representatives Standing Committee on Tax and Revenue in its report [The Development of the Australian Corporate Bond Market: A Way Forward](#). The report emphasises the need for legislative changes to lower retail investor access barriers, improve transparency and recalibrate incentives (such as tax) that influence decisions between equity and debt, listed versus unlisted products.

As noted by the ASX in its submission to the discussion paper, direct retail access to bonds is currently limited via an exchange, with only six corporate bonds accessible to retail investors on the ASX. Local listed bonds have an aggregate market capitalisation of less than \$1 billion and are held by less than 5,000 individual investors, accounting for less than 0.1% of the estimated \$1 trillion corporate bonds issued by Australian companies.

A bank noted in its submission to the discussion paper that fostering a liquid corporate bond market will ensure Australia's capital markets remain attractive and meet future economic needs. To enable retail investors to benefit from diverse wealth creation opportunities, it is necessary to promote the corporate bond framework further. However, to deepen and create a more liquid corporate bond market, especially for retail investors, barriers such as complexity and cost must be addressed and the broad legislative framework may need to be adjusted.

We agree that creating a deep and liquid listed corporate bond market, with a diversified investor base, is beneficial for companies raising capital and for investors. This includes Australia's growing number of retirees who are seeking investment diversification and opportunities for steady income streams.

There is also a broader supply and demand dynamic - more issuers may turn to listed bonds if the wholesale unlisted market were not meeting their needs.

Separately, The Council of Financial Regulators (CFR) has considered opportunities to improve the efficiency of Australia's wholesale bond market. Consultation on [Reassessing the Case for Central Clearing of Bonds and](#)

[Repos in Australia](#) concluded in March 2025. CFR supported feedback that central clearing, transparency and settlement chain improvements could enhance market efficiency, and favoured industry-led solutions.

We remain focused on the cleanliness of wholesale bond markets to support market integrity, trust and confidence. ASIC welcomes engagement with industry on this issue, including mechanisms for identifying potential misconduct and input on the evolution of our cleanliness work.

We recognise the challenges in establishing and maintaining a liquid listed corporate bond market in Australia, and the potential benefits for investors and issuers. Legislative reform - ultimately a matter for the government - is needed to drive meaningful change. We are willing to support this process, including contributing to consideration of transparency and disclosure settings.

At the same time, we will remain focused on the cleanliness of the unlisted wholesale bond market.

Appendix A: International regulatory developments

Since the discussion paper in February 2025, several regulatory developments relating to capital markets have occurred overseas.

CANADA

Promoting public markets

In August 2025, the Canadian Securities Administrators (CSA) formally adopted the expedited shelf prospectus regime for well-known seasoned issuers (WKSIs), scheduled to come into force in November 2025. The reform allows large established issuers with a strong disclosure record to access capital more quickly and with less regulatory friction. The change is described as a competitive measure, aligning Canada more closely with U.S. practice and making public markets more attractive for frequent issuers.

Note: See [news release CSA adopts expedited shelf prospectus regime for well-known seasoned issuers](#), August 2025.

In April 2025, the CSA introduced a package of blanket orders designed to ease the path for companies going public and to fine-tune exempt-market rules. These changes allowed issuers in initial public offerings (IPOs) to omit a third year of audited financial statements, created a new exemption that enables recently listed companies to raise additional capital more efficiently, and raised investment limits under the offering document exemption to accommodate reinvestment by eligible investors. These measures seek to balance capital formation needs across both public and private markets.

Note: See media release [Canadian securities regulators announce actions to support competitiveness of Canadian markets](#), April 2025.

EUROPE

Promoting public markets

In June 2025, the European Commission adopted technical standards to enable the creation of consolidated tapes (or data feeds) across all EU member states into a single stream of information.

The action was taken to counter the EU's fragmented trading landscape and empower professional and retail investors to make more informed decisions.

Note: See European Commission news article [Commission advances work towards a consolidated EU trading landscape for financial instruments](#), June 2025.

HONG KONG

Promoting public markets

In March 2025, the Securities and Futures Commission (SFC) issued guidance expanding the range of closed-ended collective investment schemes that can be authorised and listed in Hong Kong, even where they primarily invest in private, illiquid assets. This aligns with policy aimed at channelling more private equity and private market exposure into listed fund structures, strengthening the public market's attractiveness as a distribution venue.

Note: See [Circular on listed closed-ended alternative asset funds](#), February 2025

In March 2025, the SFC issued additional guidance on IPO subscription and financing services - to enhance risk management practices and protect investors from financial risks. This followed a review of IPO financing activities which found deficiencies in selected licensed corporations.

Note: See [Circular to licensed corporations on IPO subscription and financing services](#), March 2025.

NEW ZEALAND

Promoting public markets

In December 2024, the New Zealand Ministry of Business, Innovation and Employment announced a capital market reform package aimed at strengthening markets and cutting red tape, including by making prospective financial information voluntary for IPOs.

The requirements had imposed significant costs on potential issuers and were viewed as a barrier to issuers deciding to list in New Zealand - it is an area of New Zealand's settings that are seen as providing competitive disadvantage, particularly with Australia. The reform came into effect in June 2025.

Note: See [Regulatory Impact Statement: Prospective Financial Information for Initial Public Offerings](#), December 2024.

SINGAPORE

Promoting public markets

In May 2025, the Monetary Authority of Singapore (MAS) announced that the Corporate Governance Advisory Committee would undertake a review of the Code of Corporate Governance. This builds on established good practices in corporate governance and disclosures among listed companies, and complements the ongoing work of the [Equities Market Review Group](#), which is seeking to strengthen the competitiveness of Singapore's equities market.

Note: See media release [MAS Announces Corporate Governance Advisory Committee to Review Code of Corporate Governance](#), May 2025.

In May 2025, MAS released a consultation paper proposing to streamline prospectus requirements and broaden investor outreach channels for IPOs. These proposals seek to streamline prospectus disclosures for IPOs, simplifying the process for secondary listings, and provide greater flexibility and scope for issuers to gauge investor interest earlier in the IPO process.

Note: See media release [MAS proposes to streamline prospectus requirements and broaden investor outreach channels for IPOs](#), May 2025.

Facilitating access to private markets

In March 2025, MAS issued a consultation paper proposing a regulatory framework to allow retail investors access to private market investments via authorised long-term investment funds. The framework contemplates two structures: a fund making private market investments directly, and a fund-of-fund structure primarily investing in private market funds. MAS indicated alignment with the ongoing Equity Market Review's objectives of widening retail investment choices and allowing the possibility of such funds listing on the exchange.

Note: See media release [MAS proposes a regulatory framework for retail private market investment funds](#), March 2025

UNITED KINGDOM

Promoting public markets

In August 2025, the Financial Conduct Authority (FCA) approved the London Stock Exchange operating the Private Intermittent Securities and Capital Exchange System (PISCES) platform, a new type of private stock market. PISCES, a regulated private stock market, is a platform that allows buyers and sellers of shares in private companies to trade on an intermittent basis.

Note: See media release [First PISCES operator gets greenlight in drive for growth](#), August 2025

In July 2025, the FCA released final rules for the UK's new Public Offers and Admissions to Trading Regulations 2024 (POATRs) to make it easier for companies to raise capital in the UK. The rules, to come into force on 19 January 2026 are aimed at reducing costs when admitting smaller investors to UK public markets, to promote their wider participation in capital markets and to improve the relative competitiveness of public markets.

Note: See [PS25/9: New rules for the public offers and admissions to trading regime](#), July 2025

Increasing transparency and oversight of private markets

In March 2025, the FCA released its findings from the multi-firm review of valuation processes for private market assets.

It found weak governance, inconsistent use of third-party valuation experts and poor documentation. Firms were urged to strengthen oversight and ensure fair value principles are embedded. The FCA is currently engaging with firms and industry bodies.

Note: See [Private market valuation practices](#), March 2025

UNITED STATES

Facilitating access to private markets

In August 2025, the SEC issued guidance to reshape how registered closed-end funds that invest in private funds are treated. These funds were previously restricted by practice, offered to only accredited investors and capped at 15% of assets. New guidance removes the limits, allowing for broader retail investor access through registered vehicles. In exchange, the SEC emphasises stronger and clearer disclosure of costs, risks, liquidity and layered fees.

Note: See [SEC Principal Strategies ADI 2025-16](#) - Registered close-end funds of private funds, August 2025

In addition to implementing the rules, the SEC has been actively consulting on the future of private markets. In September 2025, the Investor Advisory Committee issued recommendations on retail investor access to private assets. The recommendations were published on the SEC's website and remain under consideration.

Note: See [SEC IAC Recommendations](#), September 2025. See also [SEC Commissioner speech The Autobahn and Private Markets Remarks at Better Markets Academic Advisory Board Annual Conference](#), September 2025

Adjusting public market frameworks

In October 2025 the Chair of the SEC, Paul S Aitkins, addressed the John L. Weinberg Center for Corporate Governance, on the topic of 'Making IPO's great again'. In his address, Chair Atkins spoke about accomplishing this by simplifying and scaling the SEC's disclosure requirements to reduce costs and enhance readability; de-politicising shareholder meetings to refocus governance attention on material matters; and reforming the litigation landscape for securities lawsuits.

Note: See [Keynote Address at the John L. Weinberg Center for Corporate Governance's 25th Anniversary Gala](#), 9 October 2025

Appendix B: Accessible versions of figures

Figure 1.1: Growth in global private capital AUM by asset class and global public equity, December 2014 (base = 100) to December 2024

Date	Private equity	Real estate	Infrastructure	Private credit	Natural resources	Global public equity
Mar-25	375.8	228.6	430.3	379.8	171.1	157.5
Dec-24	372.86	219.51	410.46	372.68	171.48	163.99
Dec-23	368.83	215.81	390.23	363.99	172.68	147.13
Dec-22	348.46	212.40	353.40	323.25	164.23	125.97
Dec-21	338.41	196.28	311.31	298.18	149.97	110.18
Dec-20	255.10	157.71	264.05	243.00	129.15	88.817
Dec-19	206.31	146.91	238.67	199.08	142.78	77.843
Dec-18	170.33	129.37	203.94	174.77	147.07	81.305
Dec-17	146.74	122.14	184.78	150.94	139.31	118
Dec-16	122.60	111.32	147.70	133.51	127.89	82.225
Dec-15	107.47	104.59	114.12	114.10	110.60	141.71
Dec-14	100.00	100.00	100.00	100.00	100.00	100

Figure 1.2: Growth in the size of the Australian private credit market, 2015 to 2024 (EY Parthenon)

Year	A\$ billion
2015	35
2016	45
2017	64
2018	82
2019	88
2020	105
2021	131
2022	175
2023	188
2024	213

Figure 2.1: Balancing market visibility and compliance: a global comparison

Country	Compliance requirements	Private market visibility and reporting
Japan	1.05	2.95
New Zealand	2.09	3.77
Australia (current regime)	2.97	4.62
Switzerland	4.87	5.39
Canada	6.19	6.62
Hong Kong	3.16	7.36
Australia (future regime)	6.92	8.08
United States	10.86	8.62
Singapore	8.65	9.76
United Kingdom	10.98	11.44
European Union	10	11.9
France	10.99	12.06
Germany	10.99	12.63

Figure 3.1: Growth of the Australian superannuation industry

Year	APRA-regulated	Total industry
Jun 2015	1,237	1,980
Jun 2016	1,292	2,058
Jun 2017	1,618	2,453
Jun 2018	1,774	2,651
Jun 2019	1,925	2,846
Jun 2020	1,931	2,852
Jun 2021	2,264	3,315
Jun 2022	2,235	3,280
Jun 2023	2,459	3,592
Jun 2024	2,721	3,936
Jun 2025	3,039.5	4,330.1

Figure 3.2: Australian superannuation industry asset allocation, June 2025

Asset class granular	Allocation (%)
International listed equity	30.3
Australian listed equity	23.3
Australian fixed income	12.2
Cash	7.2
International fixed income	6.5
International unlisted infrastructure	3.6
Australian unlisted infrastructure	3.5
International unlisted equity	3.1
Australian unlisted property	2.9
Australian listed property	1.8
Australian unlisted equity	1.4
Private debt	1.0
International unlisted property	1.0
International listed property	0.9
International alternatives	0.8
Australian listed infrastructure	0.7
International listed infrastructure	0.6
Australian alternatives	0.4
Commodities	0.1

Appendix C: Key terms

Key term	Definition
ABS	Australian Bureau of Statistics
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services
APRA	Australian Prudential Regulation Authority
ASX	ASX Limited or the exchange operated by the ASX Limited
AUM	Assets under management
capital market	A market for issuance and secondary trading of debt and equity capital on public or private markets
Council of Financial Regulators (CFR)	The coordinating body for Australia's main financial regulatory agencies - APRA, ASIC, RBA and the Australian Treasury
Corporations Act	<i>Corporations Act 2001</i> (Cth), including regulations made for the purposes of that Act
ETF	Exchange traded fund
fund	Has the same meaning as a 'managed investment scheme' in s9 of the Corporations Act
fund operator	The entity responsible for the operation of the fund being, either: › the RE for a registered fund (retail fund), or › the trustee of an unregistered scheme (wholesale fund)
fund manager	The group of participants involved in the management of funds that includes investment managers, responsible entities and wholesale trustee.
investment manager	The person(s) or entity subject to an investment management agreement that is responsible for buying and selling of assets on the investor's behalf.
IPO	Initial public offering
large proprietary company	A company, including its controlled entities, which satisfies two of the following three criteria: has consolidated annual revenue of A\$50 million or more, consolidated gross assets valued at A\$25 million or more, and 100 or more employees
listed entity	An entity admitted to the official list of a public equity market
net interest margin	The difference between the rate of interest charged to borrowers and the rate of interest paid to investors as a distribution. It excludes 'borrower fees' (i.e. the additional income a fund manager may receive from borrowers)

over-the-counter (OTC) market	A market in which transactions are bilaterally negotiated and may be facilitated by a market platform or intermediary
private capital fund	A fund that raises and commingles money from investors (that may be supplemented with debt capital) to invest in private market assets that are not traded on public markets. May take the form of a private equity fund, a private credit fund, a private infrastructure fund or a private property fund.
private company	A company that is not listed, and its securities are not available to trade on a public exchange
private credit	Non-bank lending where the debt is not publicly traded or widely issued publicly. As informed by the PC report, ASIC has taken a broad view of what private credit entails, including a wide range of exposures through the capital stack (e.g. from senior debt to equity-like instruments), as informed by the PC report. Private credit lending includes corporate lending, private financing of real estate and infrastructure projects, and asset-backed financing.
private credit fund	A fund that has, or is likely to have, a majority of its non-cash assets invested in private credit
private equity	Equity interest in a company or business that is not a public company
private market	A market that is not a public market
private market asset	An asset that is not able to be traded on a public market
PDS	Product disclosure statement
public company	A company that is listed, and its securities are able to be traded on a public exchange
public debt market	A listed or over the counter market in which companies, trusts, financial institutions (including banks) and governments raise debt capital by issuing debt securities (for example, bonds, floating rate notes, term securitisation notes from convertible notes, and hybrid securities) or a market in which these securities are able to be traded
public equity market	A public market on which the equity securities of public companies are able to be traded
public market	A financial market in which companies, funds and trusts raise capital by issuing equity or debt securities, debt instruments or hybrid instruments that are listed or traded on a public exchange or public debt over the counter market. Includes public equity markets and public debt markets.
retail fund	A scheme that is registered; that is, a managed investment scheme that is registered under s601EB of the Corporations Act
RBA	Reserve Bank of Australia

RE	Responsible entity of a retail fund; has the same meaning as 'responsible entity' in s9 of the Corporations Act
Retail client	A client as defined in s761G and s761GA of the Corporations Act and Div 2 of Pt 7.1 of the <i>Corporations Regulations 2001</i>
RFC	Registered Financial Corporations
RG	An ASIC regulatory guide
SMSF	Self-managed super fund
SPAC	Special purpose acquisition companies
superannuation fund	An APRA-regulated superannuation fund
superannuation trustee	A person who is licensed as a RSE licensee under the <i>Superannuation Industry (Supervision) Act 1993</i>
wholesale client	A client who is not a retail client
wholesale fund	A scheme is that is not a registered scheme (retail fund)
wholesale investor	A person who is considered a wholesale investor or wholesale client for the purposes of tests set out in Chapter 6D and section 761G of the <i>Corporations Act</i>

