21 April 2026

Attn: RRI Team

By email: rri.consultation@asic.gov.au

Dear Sir/Madam

AFMA Submission on ASIC CP 387 Enhanced beneficial ownership disclosure: Proposed legislative instrument, form and guidance

The Australian Financial Markets Association (AFMA) welcomes the opportunity to comment on ASIC's consultation paper on enhanced beneficial ownership disclosure (CP 387).

Executive Summary

AFMA acknowledges ASIC's objective of enhancing transparency regarding economic exposure, control and influence in Australian listed entities. The enhanced beneficial ownership disclosure regime is intended to improve market understanding; however, its effectiveness will depend on whether the framework is appropriately calibrated, operable and capable of practical implementation across diverse market participants.

CP 387 gives effect to a significant expansion of the disclosure framework introduced through the Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025. The reforms introduce new concepts of deemed economic interests and offsetting short positions, materially extending the scope of the substantial holding and tracing regimes and representing a substantive shift from long-standing market practice. The existing disclosure framework has been in operation for many years and is deeply embedded in market systems, processes and interpretative understanding across the market; the proposed reforms therefore require a fundamental change in how disclosure obligations are assessed, operationalised and embedded. ASIC's consultation concerns how this shift is implemented through legislative instruments, calculation methodologies and expanded reporting and documentation requirements. Collectively, the reforms will require extensive compliance, operational and systems changes across a wide range of market participants, including firms operating within global business models.

Whether the proposed regime achieves its policy objectives will therefore turn on operability, proportionality and implementation sequencing. In particular, implementation timing, the clarity and completeness of regulatory guidance, and a focus on disclosures that are material to market understanding of control and influence will be critical. Given the widespread use of derivatives for hedging, liquidity provision and trading inventory, careful calibration is needed to ensure that economic exposure, of itself, is not treated as indicative of control or influence,

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and that the regime avoids high-volume, low-value disclosure that obscures economically meaningful signals.

This submission is provided on a thematic and issues-based basis. AFMA has focused on those aspects of CP 387 that raise material implementation, operability or market-functioning considerations for its members and seeks to assist ASIC by identifying areas where further clarification, calibration or guidance would support effective and proportionate outcomes.

Implementation timing

The proposals require the design and integration of new systems to calculate, monitor and report deemed economic interests and offsetting short positions, in many cases on a daily basis. Implementing these changes will require comprehensive end-to-end activity, including detailed data and systems mapping, design and strategy decisions, build, testing and validation, establishment of governance and control frameworks, and material changes to policies, procedures and staff training before being embedded into business-as-usual operations, including within global systems and data architectures. Member feedback indicates that sufficient clarity on all requirements will not be available early enough to complete this work within the proposed timeframe, even where significant implementation effort is directed to the task.

Based on member feedback, once final legislative instruments and regulatory guidance are released, the proposed commencement date of 4 December 2026 does not provide sufficient time for affected entities to implement the necessary systems and processes in a robust and compliant manner. The scale and complexity of the required build, combined with dependencies on third-party data, global technology change cycles and internal governance approvals, present material delivery and transition risk. In these circumstances, an accelerated transition risks giving rise to implementation issues, inadvertent errors and inconsistent or low-quality disclosures, which would undermine the transparency objectives of the reforms.

These risks are heightened by the fact that the expanded disclosure obligations operate within an existing enforcement framework that includes both civil and criminal penalties. Insufficient implementation time therefore materially increases the likelihood of inadvertent non-compliance during transition, notwithstanding good-faith efforts by market participants.

AFMA recommends that ASIC consider:

- providing a minimum 18-month implementation period from the release of final legislative instruments;
- adopting a formal transitional supervisory approach, including a no-action period during early implementation where entities demonstrate good-faith efforts to comply, to mitigate implementation risk and support accurate and consistent disclosure outcomes; and
- supporting implementation through a targeted regulatory education and communications programme to assist the market in understanding new concepts, calculation methodologies and disclosure requirements.

AFMA also encourages ASIC to consider a post-implementation review or stocktake within the first three to six months following commencement, to assess observed disclosure practices, identify areas where further guidance may be required, and promote consistent and high quality disclosure outcomes as the regime is embedded.

Clarifying the availability and scope of transitional arrangements and post-implementation engagement would assist members in prioritising resources, managing delivery risk and focusing on achieving durable, high-quality compliance outcomes aligned with the intent of the reforms.

Operability and proportionality

Members generally recognise the policy rationale for bringing derivative-based exposures within the substantial holding framework, including the use of delta-based methodologies for non-linear derivatives. However, aspects of the proposals, particularly daily calculation requirements, the treatment of complex derivative structures and the scope of documentation obligations, raise material operability and proportionality considerations.

AFMA also notes that aspects of the proposed framework appear broader in scope and more mechanically prescriptive than disclosure approaches in other major markets, including the United States, Europe and the United Kingdom, where derivative based disclosure is typically more conditional and more closely aligned with indicators of control or voting power. These differences increase complexity for globally active firms and heighten the risk of inconsistent compliance outcomes, which may in turn discourage liquidity provision in Australian markets. Appropriate calibration at the implementation stage would assist in mitigating these risks while preserving transparency objectives.

In addition, disclosure triggers based on small incremental movements in deemed economic interest may be particularly challenging for high-turnover and liquidity provision. Low-sensitivity movement based trigger risks generating frequent, potentially daily, reporting that reflects ordinary trading and hedging dynamics rather than changes relevant to control or influence. This increases operational burden and may result in excessive low-value disclosures that dilute the usefulness of information provided to the market.

Further clarification and, where appropriate, calibration of these requirements would assist in improving the consistency and practicality of disclosures, without detracting from the underlying transparency objectives.

Focus on meaningful disclosure

Consistent with ASIC's stated objective of improving market transparency and investor understanding, the effectiveness of this reform will depend on whether the disclosure framework provides clear, interpretable disclosure that is material to understanding ownership, control and influence, rather than high-volume reporting that risks obscuring those signals.

To achieve this outcome, disclosure requirements should be directed to information that meaningfully informs the market and regulators about control-relevant economic exposure. The inclusion of information that is incidental, commercially sensitive or personal in nature, and which does not contribute to an understanding of ownership, control or influence, does not advance this objective and may reduce the clarity and usefulness of disclosures. Ensuring such information is excluded or appropriately redacted would support ASIC's aim of delivering disclosure that is proportionate, decision-useful and effective in practice.

Market-making and client facilitation activity

Clear and workable exclusions for genuine market-making, client facilitation and associated hedging activities will be an important determinant of how the regime operates in practice, particularly given the role of these activities in supporting market liquidity and efficient price discovery.

Further clarification of the scope and conditions of these exclusions, particularly concepts relating to the ability to "influence the affairs" of an issuer, would assist in reducing uncertainty and ensuring that hedging activity not intended to give rise to control or influence is not inadvertently captured by these words.

Guidance and examples

Given the technical complexity of the proposed regime, additional worked examples of various type of derivatives trades and clearer guidance across RG 5, RG 9 and RG 222 would assist in promoting consistent interpretation and implementation across the market and reducing the risk of divergent compliance outcomes.

Substantive feedback on proposals

The remainder of this submission provides AFMA's substantive feedback on the proposals, organised by reference to the relevant proposal numbers and focusing on matters with the greatest impact on implementation, operability and market functioning.

Calculation of Deemed Economic Interests and Offsetting Short Positions

(Proposals B1–B10; Regulatory Guide 5)

AFMA acknowledges ASIC's intention that derivative-based exposures be converted into equivalent shareholdings and included in substantial holding calculations.

Members broadly support notional-based calculations for linear derivatives and accept delta-based approaches for non-linear derivatives as conceptually sound. However, the use of delta-based methodologies introduces material operational complexity, particularly where calculations are required to be performed daily. This complexity is most acute for buy-side participants and client-facing service providers that do not generate delta calculations internally as part of ordinary risk management processes, particularly for longer-dated or less actively traded derivative positions and may need to obtain such calculations from counterparties or third-party providers. In these circumstances, the feasibility of meeting tight disclosure timeframes will depend on the ability to access reliable delta information within the required period.

AFMA recommends that ASIC clarify that market participants and client facing service providers may rely on delta or valuation calculations provided by counterparties or third-party pricing agents using generally accepted pricing models, and that the provision of such calculations does not of itself give rise to regulatory liability for the provider. Clear recognition of good-faith reliance would support timely and consistent compliance where delta is not immediately available.

AFMA also encourages ASIC to provide further guidance on the application of the standard of a person "becoming aware, or ought reasonably to have been aware" in the context of derivative-based interests, including ASIC's expectations regarding timing, reasonable information sources, and the extent to which reliance on counterparties or third-party data will be taken into account.

Further guidance would be beneficial in relation to valuation inputs, particularly where recent closing prices are not representative, such as during trading halts, corporate actions or for non-standard derivative structures. Reasonable valuation adjustments consistent with market practice, supported by worked examples, would improve practical operation.

More broadly, member feedback indicates that the complexity of the proposed calculation rules, particularly in relation to netting, aggregation and valuation of derivative-based interests, can make it difficult for firms to determine which required data points are available in practice and where material gaps exist.

In this context, passive changes in calculated exposure may occur without any new trading activity, for example due to delta drift (where derivative sensitivity changes as market prices move), mechanical re-weighting of indices or baskets, or assignment events in listed options. These changes reflect ordinary market movements or contract mechanics, rather than any deliberate change in position or intent to influence an issuer.

Where such passive changes trigger disclosure, low-sensitivity movement based thresholds, without appropriate tolerances or clear measurement conventions, risk generating repeated, low-value disclosures that do not convey meaningful information about control or influence. Additional guidance on calculation logic, underlying assumptions and worked examples, together with appropriate calibration of trigger mechanisms would assist firms in assessing feasibility. Engaging with upstream data providers and reducing reporting driven by routine market activity, while preserving the intended transparency outcomes of the regime.

Basket, Index and Volatility-Related Products

(Proposals B4, B5 and B8)

AFMA notes ASIC's recognition that basket, index, volatility and variance products are generally used to obtain diversified or sector exposure, rather than to influence individual issuers.

In this context, clarification is sought that a zero deemed economic interest applies where either the exposure to an individual security falls below the specified percentage or the aggregate exposure arising from the basket or index remains below the 5% threshold, rather than requiring both conditions to be met. Clarification would also be helpful given differences in drafting between the proposed ASIC instrument and the explanatory materials as to whether these conditions are intended to operate conjunctively or disjunctively in practice.

AFMA also recommends clarification that the 5% threshold applies to exposure arising from the relevant basket or index alone, rather than to a holder's total economic exposure when combined with other holdings, and that continuous re-weighting of basket or index constituents does not require ongoing threshold testing in the absence of a material change to the product.

Member feedback further indicates that, even where relief is intended to prescribe a deemed economic interest of zero, compliance may still require market participants to identify relevant basket or index referenced derivatives and perform calculation on an ongoing basis in order to monitor whether threshold conditions have been crossed. In practice, this may involve significant information dependencies, such as timely and reliable access to constituent weights, issued capital and index composition, which may not always be readily observable or consistently available. Additional guidance on these mechanics would assist in reducing unnecessary complexity and compliance burden where the transparency outcome is ultimately nil.

AFMA also seeks clarification regarding the treatment of transactions relating to derivatives that result in a nil deemed economic interest by operation of the basket or index relief. In particular, confirmation would assist that such transactions are not required to be included in transaction lists in substantial holding notices for constituent issuers, where they do not result in a disclosable movement for the purposes of the regime.

More broadly, member feedback further indicates that exposure to widely-held indices and other broad based market indices can introduce significant complexity in calculating deemed economic interests, without materially advancing transparency around control or influence at the issuer level. In these circumstances, disclosure obligations may generate operational burden and volume without corresponding regulatory or market benefit. Additional clarification or targeted relief for such indices would assist in focusing the regime on economically meaningful exposure.

Given the concentration of the Australian equity market, including sectoral concentration in certain industries, AFMA also considers that increasing the single-security basket threshold to 25–30% would better distinguish between sector-based exposure and positions capable of contributing to control, consistent with international practice. AFMA also supports the introduction of an explicit exemption for volatility and variance derivatives to provide certainty and avoid unnecessary compliance burden.

Offsetting Short Positions

(Proposals B6 and B10)

Daily calculation and monitoring of offsetting short positions create heightened operational complexity and error risk. Further guidance on acceptable methodologies, tolerances and transitional expectations would support consistent and reliable implementation.

Market-Making and Client Facilitation Exclusions – Scope and Application

(Proposals B11–B13)

Scope of the Exclusion

AFMA acknowledges the importance of excluding genuine market-making and client facilitation activity from the deemed economic interest regime, given the role these activities play in providing liquidity, supporting efficient price discovery and facilitating client risk management. In this context, AFMA considers it important that the exclusion is framed by reference to the nature of the activity undertaken, rather than licence status alone, to ensure the exclusion reflects modern market structures in which liquidity provision may be undertaken by a range of participants performing the same function, without any intent or capacity to influence issuer affairs.

Application at Group Level

AFMA seeks clarification on the application of the market-making and client-facing service provider exemption at the group level. In particular, where a bank group's subsidiaries are authorised or regulated by overseas supervisory authorities to deal in securities or make a market, clarification would assist as to whether both those subsidiaries and the group holding company are taken not to have a deemed economic interest, and are therefore not subject to disclosure obligations, regardless of whether the group holding company itself holds a relevant licence.

Interpretation of Influence

Concerns remain regarding the clarity of certain conditions attached to the exemption, particularly where activity is assessed by reference to an ability to "influence the affairs" of an issuer. Hedging activity undertaken in the ordinary course of market making or client facilitation should not, of itself, be treated as indicative of influence. In particular, clarity is needed to ensure that hedging positions acquired solely to manage derivative exposure are not treated as conferring an ability to influence issuer affairs merely because of their size or notional economic exposure.

Member feedback indicates that the rationale for the market-making and client-facing services exemption applies irrespective of the scale of a licensee's hedging position, given the capacity in which those activities are undertaken and the fact that the derivative exposure will be disclosed by the counterparty under the regime. Introducing additional backstop disclosure triggers, such as requiring positions to be calculated and monitored as though the exemption did not apply, undermines the purpose of the relief by re-imposing continuous calculation, systems and compliance obligations on market-makers and client-facing service providers without delivering additional insight into ownership or control. In AFMA's view, this risks nullifying the practical effect of the exemption and would result in unnecessary reporting that does not advance market transparency, consistent with concerns acknowledged by ASIC in CP 387.

Practical operation and market impacts

AFMA further notes that routine liquidity provision activities, including listed options market making and ETF market making or authorised participant facilitation, can involve temporary or mechanically generated holdings in underlying securities. Such positions may arise through continuous quoting, hedging, or creation-redemption processes and are typically short-lived and risk-manage, without any intent or capacity to influence issuer affairs. Confirming though guidance and worked examples that these activities fall within the market making and client facilitation exclusion would assist in ensuring the exclusion operates as intended and avoids unnecessary disclosure of transient positions that do not convey meaningful information about control or influence.

This may include, for example, listed options market making, ETF creation-redemption and authorised participant facilitation, temporary assignment driven positions and associated hedging activity, which are mechanical or risk management in nature and not indicative of an intent or capacity to influence issuer affairs.

AFMA encourages ASIC to specify a clear and consistent end-of-day measurement point (including timing conventions for prices and deltas) to support reproducibility and reduce inadvertent discrepancies.

AFMA considers it necessary for the framework to include clear guidance on the application of an end-of-day measurement point and appropriate tolerances or materiality thresholds, so that delta driven movement arising from ordinary trading, hedging and liquidity provision activity, including movements arising from option assignment or early exercise, do not trigger frequent, low value disclosures that are unrelated to changes in control or influence.

AFMA recommends that ASIC clarify the application of the influence concept in this context and avoid requirements to calculate deemed economic interests on an "as-if no exemption applied" basis, as such requirements may materially limit the practical operation of the exclusion. If additional disclosure triggers are retained, a holding-based threshold may provide greater clarity and operational certainty than a net economic exposure test.

In addition, AFMA encourages ASIC to consider how the integration of deemed economic interests and offsetting short positions into RG 9 will operate during control transactions, and whether the proposed approach supports takeover integrity without discouraging liquidity, intermediation and efficient price discovery during sensitive periods.

Substantial Holding Notice Form and Disclosure Mechanics

(Proposals B17–B21; Regulatory Guide 222)

AFMA supports ASIC's proposal to replace the existing substantial holding notice forms with a single consolidated, digital form and to require information to be provided in a machine-readable format. AFMA considers that a standardised approach to disclosure has the potential to improve the consistency, accessibility and analytical usefulness of substantial holding information for ASIC and other users of the disclosure regime.

AFMA also supports the flexibility implied by the proposed form structure to permit execution by appropriately authorised persons, consistent with broader market practice, and does not consider it necessary to limit execution to directors or company secretaries as under existing forms.

Member feedback indicates a preference for a simple, standardised form that can be completed using existing systems and uploaded in a machine readable format at commencement. Members note that a more complex interface based or system-to-system reporting solution would materially increase systems integration complexity, development effort and implementation timelines. Accordingly, AFMA considers it important that the proposed form and reporting approach are user-friendly and capable of being completed using standard systems, without requiring specialised or bespoke software. AFMA therefore suggests that any consideration of more advanced or integrated digital reporting solutions be explored at a later stage, once the new framework has been implemented and operational experience has been gained, to support timely and consistent compliance.

AFMA also considers it important that any digital lodgement arrangements include appropriate contingencies, including alternative submission methods, to ensure that disclosure obligations can be met in the event of system outages or technical disruptions.

More broadly, AFMA considers it important that the operation of the new form remains clearly directed toward the regulatory purpose of the substantial holding provisions, namely, enabling the market and regulators to understand the existence and scale of economic exposure, control and influence in listed entities. In this context, both the scope and presentation of information required by the form should be calibrated so that disclosures contribute meaningfully to that understanding, without imposing unnecessary compliance complexity or diluting the clarity of key ownership signals.

Member feedback indicates that, without further refinement, certain aspects of the proposed form may require significant additional systems development and data extraction while providing limited incremental regulatory or market insight. There is a risk that highly granular or duplicative information and voluminous documentation may reduce, rather than enhance, the interpretability of disclosures, particularly in relation to derivative-based interests.

Against this background, AFMA supports the exclusion of standard form master agreements, such as ISDA agreements, from the requirement to attach supporting documentation. AFMA considers that the key information relevant to deemed economic interests can be more effectively conveyed through the disclosure of summary information focused on material economic terms. Requiring the collection and attachment of transaction-level documentation would also risk delaying disclosure, particularly where documents are held across multiple systems or counterparties. The use of a prescribed or pro-forma summary template would assist in promoting consistency across disclosures, improving the usability of information and reducing unnecessary document volume.

Clarification would also be helpful as to whether supporting documentation is required for offsetting short positions, noting that the draft form appears to require attachments only in respect of deemed economic interests.

In particular, AFMA notes the importance of ensuring that market makers and client-facing service providers, and their counterparties, are not required to attach transaction level documentation or underlying agreements in circumstances where their economic interests fall within applicable exclusions or are disclosed on a threshold basis. This should include futures agreements, exchange-traded options documentation and any note programmes or pricing supplements used to document derivative exposures. Requiring the attachment of such agreements would be inconsistent with approaches adopted in other major jurisdictions and would create significant complexity for both members and their clients, without materially advancing market understanding of control or influence. In these circumstances, disclosure in the form of a portfolio-level or high-level overview of relevant economic exposure, rather than transaction level reporting, would be more consistent with the regulatory objective, while avoiding unnecessary documentation burden and disclosure volume.

AFMA also supports the flexibility implicit in the proposed form to permit execution by appropriately authorised persons, consistent with prevailing market practice, and does not consider it necessary to retain director or company secretary sign-off requirements.

AFMA also considers that further clarification regarding the operation of the proposed form would assist regulated entities in implementing the disclosure framework in a consistent, efficient and reliable manner. Clarification would be beneficial in relation to:

- the transaction look-back period required for initial substantial holding notices, specifically, concerning the inclusion of non-physically settled derivatives entered into in the 4 month period prior to the day on which the holder became a substantial holder under the new reporting regime (where such period is less than 4 months from the commencement date of the new reporting regime), as those non-physically settled derivatives are unlikely to have been captured in a reporting entities DOI systems;

- the intended application, in practice, of the statutory concept of a "relatable derivative-based holding percentage", including how it is to be determined and reported for the purposes of the proposed form;
- whether consideration values are expected to be reported on a transaction-specific basis or in aggregated form; and
- whether transactions relating to derivatives that result in a nil deemed economic interest are required to be disclosed in transaction lists.

AFMA considers that addressing these matters would support the effective operation of the new substantial holding notice framework and assist ASIC in achieving the intended transparency outcomes of the reforms.

Confidentiality and Commercial Sensitivity

(Proposals B17 and B21)

AFMA notes concerns regarding the public disclosure of commercially sensitive information and personal data arising from the operation of the proposed disclosure requirements, particularly where disclosures relate to derivative documentation and contractual arrangements that are publicly accessible.

AFMA considers that the disclosure framework should distinguish between information that is strictly necessary to support market understanding of economic exposure, control and influence, and information that is incidental or commercially sensitive and does not materially advance the regulatory objective. Allowing appropriate redaction of non-material information, and focusing disclosures on selective economically meaningful terms, would assist in achieving transparency outcomes while managing confidentiality risks and avoiding unnecessary deterrents to market participation.

Freezing Orders and Derivative-Related Activity

(Regulatory Guide 222)

AFMA notes concerns regarding the potential application of freezing orders to derivative-related interests, particularly where such application may affect hedging activity undertaken in connection with derivative positions. Where a freezing order restricts the ability of a derivative writer to adjust or close hedge positions, there is a risk that the order may give rise to unintended significant market and credit risk, including exposure to price movements that cannot be managed in the ordinary course.

AFMA considers that it would be appropriate for guidance to clarify that freezing orders are not intended to prevent a derivative writer from managing hedge positions in the ordinary course of business. Clarifying the intended scope and operation of freezing orders in this context would support the effective use of ASIC's powers while avoiding outcomes that could undermine prudent risk management or market stability.

Foreign Equivalence and Intra-Group Activity

(Proposal B22)

AFMA supports the availability of relief from duplicate reporting obligations where investors are subject to foreign substantial holding disclosure regimes that are comparable in effect to the Australian framework. AFMA considers that an equivalence-based approach is consistent with the policy intent of the reforms, namely to ensure appropriate market transparency while avoiding unnecessary duplication of reporting obligations for globally active market participants.

AFMA notes ASIC's reference in CP 387 to established foreign disclosure regimes, including those in the United States and New Zealand, as examples of frameworks that may be considered comparable for the purposes of relief from duplicate reporting. AFMA considers these references provide a useful starting point and illustrate the type of substantive transparency outcomes ASIC is seeking to recognise. AFMA further encourages ASIC to adopt a criteria-based approach to equivalence, so that other foreign regimes can be assessed on their merits against the same underlying principles, rather than by reference to jurisdiction alone.

Member feedback also indicates that the practical availability of any foreign equivalence relief will depend on the timeliness and scope of ASIC's assessment process. Where relief is contingent on ASIC having previously identified a regime as comparable, there is a risk that delays in formal recognition could limit the effective availability of the exemption at or around regime commencement. AFMA therefore encourages ASIC to adopt a proactive and flexible approach to recognising comparable foreign regimes, and to avoid conditions that would require formal pre-recognition as a prerequisite to relief where the substantive comparability of outcomes can otherwise be demonstrated.
This criteria-based approach would allow ASIC to assess additional jurisdictions on their merits, including other established markets with substantial holding disclosure regimes in Asia, Europe and elsewhere, beyond those specifically referenced in CP 387. In applying such an approach, AFMA encourages ASIC to take a proactive view of comparable disclosure regimes, with jurisdictions such as Hong Kong and Singapore providing useful reference points given the maturity of their frameworks and the presence of globally active market participants.

In this context, AFMA encourages ASIC to assess foreign disclosure regimes by reference to whether, taken as a whole, they deliver transparency outcomes that are comparable in substance to the Australian regime, even where the mechanics or methodologies differ. Relevant considerations for comparability could include whether a foreign regime:

- requires timely public disclosure of material economic exposure to listed securities, including derivative-based or synthetic interests that are capable of contributing to control or influence outcomes;
- applies disclosure thresholds and timing obligations that are designed to inform the market of control-relevant positions, having regard to differences in market structure and ownership concentration;

- provides transparency regarding the identity of the holder and the nature of the interest sufficient to support market and regulatory understanding of ownership and influence;
- is administered by an established regulatory authority with effective supervisory, investigative and enforcement powers; and
- produces disclosures that are sufficiently clear, consistent and publicly accessible to enable reliance by ASIC in lieu of duplicative Australian reporting.

AFMA considers that a criteria-based approach would promote regulatory consistency and efficiency while preserving ASIC's regulatory discretion. It would also allow the framework to adapt over time as foreign regimes evolve, without undermining the transparency objectives of the Australian disclosure regime.

AFMA also encourages ASIC to consider the appropriate treatment of intra-group transactions within the enhanced disclosure framework. Intra-group dealings are commonly undertaken for structural, treasury or risk-management purposes and do not typically result in changes to ultimate economic exposure, control or influence at the group level. Clarifying the application of the regime to intra-group activity would assist in ensuring that disclosure obligations remain focused on changes that are material to market and regulatory understanding.

AFMA would welcome continued engagement with ASIC as it considers the feedback received on CP 387 and progresses the finalisation of the instruments and regulatory guidance. AFMA and its members would be pleased to participate in further discussions or technical briefings to assist ASIC in refining the proposals and supporting effective implementation, and to work with ASIC, following finalisation of the instrument, to develop worked examples for inclusion in regulatory guidance that reflect common scenarios across a range of market participants, including trading and hedging activity, liquidity provision, ETF facilitation and other forms of derivative use.

In addition, AFMA encourages ASIC to consider providing a further opportunity for public input on the draft Regulatory Guides once the legislative instrument has been finalised, to ensure that the guidance accurately reflects the final framework and support consistent understanding and compliance. ASIC is invited to contact [redacted] at AFMA ([redacted]) should further information or engagement be helpful.

Yours sincerely

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[redacted]

Senior Consultant