

Pan Asian Securities Lending Association (PASLA)
GPO Box 6383,
Central Post Office,
Hong Kong

14th October 2025

Re: ASIC Regulatory Simplification, Rep 813, published 3rd September 2025

Dear ASIC Secretariat,

Thank you for the opportunity to present input on the aforementioned ASIC report.

We have polled our membership of 82 institutions involved in the securities financing business, and this response consolidates the feedback from Asset Managers, Beneficial Owners, Custodians, Investment Banks, Intermediaries, Prime Brokers, Retail Aggregators and Securities Houses.

We are responding with reference to the current Substantial Shareholding and Disclosure of Interest reporting, which PASLA and our Australian and New Zealand Working Group agree has “unintended or unreasonable results” for market participants.

The current reporting ¹ includes securities lending activities as part of the broader financial markets ecosystem. Securities Lending plays an integral role in Australian and global financial markets helping to creating liquidity, enabling hedging strategies which include short selling, ensuring the smooth running of the equity settlement markets to reduce fails, various forms of derivative hedging, lodging or equities as collateral and financing/ funding activities.

We are not suggesting that the current substantial shareholder reporting be changed, rather to help with the simplification process by explaining some of the challenges with the current process. Our observations are showing that Market participants with multiple business lines are required to consolidate all their in-scope positions, which we believe produces ‘unreasonable results’.

As an example:

Market participants with both a principal and agency business are required to consolidate the following business activities which are **non-additive**.

- Traded long (and short) positions
- Equity borrowing and lending positions (in aggregate)
- Equity Collateral positions (in aggregate)

¹ <https://www.legislation.gov.au/Details/F2021L01333>

It is our understanding that with this current reporting, it is possible for an entity to disclose more than 100% of interest in a security. Our members believe this is an unintended result of the current reporting requirements.

Our suggestion would be to separate the reporting for these non-additive business activities, which would still result in the same capture of information but in a manner as to reduce these unintended and unreasonable results.

As an example:

- Disclosing the Borrow and Loan transactions via a separate channel which will not pollute the Disclosure of Interest (DOI) reporting.

The current required notice forms (603,604,605) are difficult to navigate, and we would ask you to consider consolidating into one form which would help with efficiency and with the functionality to submit via an online portal or API.

PASLA would also like to acknowledge “The Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025” that was read into the House of Representatives in September 2025. We believe that there are some overlaps of interest with regards to substantial shareholder notices.

We suggest a briefing call for ASIC with PASLA to further articulate this. We look forward to discussing this matter further with ASIC in the coming weeks.



Regards



Chief Executive Officer
Pan Asian Securities Lending Association