

Simplification Team
Australian Securities and Investments Commission
GPO Box 9827
Melbourne VIC 3001

13 October 2025

By email to: simplificationconsultativegroup@asic.gov.au

Dear Simplification Team,

REP 813 — REGULATORY SIMPLIFICATION

The Mortgage & Finance Association of Australia (MFAA) is the peak body for the mortgage and finance broking industry, representing more than 16,000 members including mortgage and finance brokers, aggregators, lenders, mortgage managers, mortgage insurers and other service providers to the mortgage and finance broking industry.

Mortgage brokers facilitate 77.6% of all new residential home loans¹ and approximately four out of ten small business loans² in Australia.

OUR SUBMISSION

We welcome ASIC's focus on reducing unnecessary complexity in the regulatory framework and appreciate the opportunity to provide feedback on REP 813. The MFAA is committed to a strong, competitive and sustainable mortgage and finance broking industry. Fit-for-purpose regulation is central to this — it builds confidence, encourages investment and allows brokers to focus on what they do best: helping Australians achieve their financial goals.

Like other small businesses, mortgage and finance brokers face challenges including managing cashflow, attracting and retaining talent, and navigating economic uncertainty.

¹ MFAA media release, *More Australians than ever benefit from the choice and competition that mortgage brokers deliver*, <<https://www.mfaa.com.au/news/more-australians-than-ever-benefit-from-the-choice-and-competition-that-mortgage-brokers-deliver>>, 13 October 2025.

² Productivity Commission, *Small business access to finance: The evolving lending market Research paper*, September 2021, <<https://www.pc.gov.au/research/completed/business-finance/business-finance.pdf>>, pg 44.

Modern, efficient processes reduce administrative burden and help small businesses meet compliance obligations while maintaining strong consumer protections.

We recognise and appreciate ASIC's progress in simplifying and modernising its approach, including removing outdated obligations and advancing digitisation including for example accepting electronic lodgements and enabling electronic signing for all ASIC forms from 1 October 2025.

In addition to the detailed responses to the consultation questions included in **Attachment A**, we make the following recommendations:

- **Introduce a program of regular guidance review.** ASIC should establish an ongoing program to review its regulatory guidance on a set cycle — for example, every three to five years — to ensure it remains current, relevant and fit-for-purpose. A structured review timetable would help identify outdated content, remove duplication, and clarify expectations, reducing compliance burden and supporting industry confidence in the guidance framework.
- **Streamline levy collection operations.** ASIC's administration of the industry funding model and the Compensation Scheme of Last Resort (CSLR) levy could be made more efficient and cost proportionate. Improvements here would reduce pressure on small broking businesses while ensuring levies accurately reflect the industry's contribution.
- **Provide visibility on outcomes of this consultation.** Ensure the Regulatory Initiatives Grid (RIG) (expected to have had its first update in September 2025) includes the simplification activities that emerge from this consultation to give industry early visibility and enable planning and participation.

Closing Remarks

We appreciate the opportunity to provide input into ASIC's simplification agenda. If you wish to discuss this submission or require further detail, please contact me at

[REDACTED]

Yours sincerely

[REDACTED]

[REDACTED]

Executive Policy and Legal
Mortgage and Finance Association of Australia

Attachment A – Responses to Consultation questions

Section 1: Improving access to regulatory information

Question		Response
1	Has our new website improved searchability and access to useful information for you? Do you have any suggestions for further improvement?	<p>Yes. Removing duplicate pages and redesigning the layout has reduced clutter and made relevant ASIC guidance easier to find. However, the presence of multiple search functions can still cause confusion when results differ. For example, a search for ‘influencer’ via the <i>Regulatory resources search</i> function delivers no content, whereas when the site’s main search function is used, 33 items were found.</p> <p>In addition, the improved frequency to weekly updates of ASIC’s Credit Licensee and Credit Representative Datasets (and ease of access via the data.gov.au website) provides users with the most current information available, allowing them to make well-informed decisions.</p> <p>Suggestions for further improvement include:</p> <ul style="list-style-type: none"> • filters or tags (e.g. by industry, topic, complexity level) might help improve searchability, and • improving the mobile experience to ensure content loads well on smaller screens
2	Which of the proposals to enhance our guidance materials do you think will have the biggest impact and should be prioritised – or do you have other suggestions?	<p>ASIC guidance is often dispersed across a range of documents, making it complex for users to know about, understand and use. Organising guidance by categories as identified on the “Regulatory resources” page improves a user’s ability to access the information they need on a specific topic. Enhancing this with interactive, searchable digital guidance on ASIC’s website with keyword search, filters and flow-charts can help a user to quickly locate industry specific information.</p> <p>Other suggestions include:</p> <ul style="list-style-type: none"> • to simplify and consolidate overlapping guidance that applies to brokers and aggregators or provide a clear map showing how they interconnect for example

Question		Response
		<p>through a layered guidance approach: plain-English summaries for small businesses and detailed technical sections for compliance officers or aggregators.</p> <ul style="list-style-type: none"> • a guided “roadmap” or flow-chart for users new to codes of conduct (or RG 183) so they know which sections to read first. • to include practical examples, templates and case studies in regulatory guidance or information sheets that demonstrate what compliant documentation and good-practice processes look like in real credit intermediation (broking) scenarios. <p>In relation to ASIC’s regulatory developments timetable and its program of work to review and update guidance, we suggest incorporating a clear and transparent process for invoking a review. Over time, industries evolve through self-regulation and legislative change, and guidance should be periodically reassessed to ensure it remains fit for purpose. For example, ASIC Regulatory Guide 206, introduced in 2011, set the minimum educational requirement for credit representatives at a Certificate IV in Finance and Mortgage Broking. However, this standard has not been updated despite the significant increase in the industry’s complexity and professionalism.</p>
3	How can we present our guidance materials more clearly for different audiences (for example, consumers, small businesses, technical users and representative organisations)? Should we focus on principles-based guidance or more prescriptive guidance which outlines our expectations of complying with the law?	<p>We agree with the potential improvement for ASIC to have internal policies for when to issue each form of guidance, including ³</p> <p>As noted above, we suggest applying a layered guidance approach that includes plain-English summaries for non-technical users (i.e., small business or consumer audiences) followed by detailed technical sections targeted to compliance or legal specialists. While we support principles-based legislation, we believe there should be a balance and where there is benefit to do so, for there to be prescriptive guidance that sets out clear requirements and expectations. Importantly, guidance should include practical scenarios (including well designed and well-placed visuals like flow charts and decision trees) and how to apply the</p>

³ REP 813, Table 1.

Question		Response
		regulations in that context – this will help users to better understand their obligations and comply with the law.
4	Do you think the small-company and financial advice regulatory roadmaps are helpful? Would you suggest any improvements?	<p>In part.</p> <p>The roadmaps present more as a “frequently asked questions” document.</p> <p>Particularly for small-company directors, understanding this information before deciding on a business structure will ensure they are making more informed decisions as to what structure works best for their business. The content of the roadmap should not duplicate what may already be available through the Australian Government tools on business.gov.au.</p> <p>A further observation is the roadmap in its current design has minimal information about running a company and lacks links to applicable ASIC guidance.</p>
5	Should we consider piloting additional roadmaps? If so, for which sectors?	Yes. For sectors with high regulatory burden and complexity, such as credit intermediation. A sector-specific “roadmap” for mortgage and finance broking would be useful provided it clearly links all key obligations (responsible lending, disclosure, conflict management, advertising, complaints handling, continuing education) to relevant ASIC guides and forms.
6	Would alternative formats of the regulatory roadmaps be helpful (for example, hard-copy versions or podcasts)?	<p>Yes. Multiple formats ensure content is accessible to a broad range of users – for examples those who prefer podcasts to listen and learn, or others who use infographics for quick reference. For online users, an interactive function (where parts of the roadmap are ‘clickable’ to access additional resources or short videos) may help.</p> <p>Hard-copy versions may have limited use, such as at events, workshops, or for participants less comfortable online.</p>

Section 2: Reducing complexity in regulatory documents

Question		Response
7	Are our best-practice drafting principles useful? Is there anything you would change?	<p>Yes. Clear drafting principles gives consistency and helps users to understand ASIC's expectations, particularly if an "objectives clause" is included.</p> <p>Consideration for a governing framework to ensure the principles are adopted when drafting regulatory guidance will help deliver this best-practice. This may include incorporating user testing or feedback loops so real users can advise if the drafting style is effective and meets user needs.</p>
8	Is our consolidation of financial reporting, accounting and audit instruments helpful? If not, please provide any feedback on how it could be improved.	Yes. Consolidating legislative instruments simplifies guidance, reduces overlap and makes it easier for users to locate all relevant instruments in one place. Where this approach is taken, ensure that cross-references within the consolidated document are clear and obsolete references are removed, change logs are proved so users can see what has been consolidated or removed.
9	Is our simplification of the platform instruments helpful? If not, please provide any feedback on how it could be improved.	We have no comment.
10	Are there other ASIC relief or categories of instruments you consider should be simplified or consolidated? If consolidation were to occur, would it be most valuable for this to be organised by industry sector, topic or Corporations Act chapter?	<p>ASIC may wish to consider simplification of instruments and guidance associated with credit licensing and responsible lending obligations. Many of these requirements are dispersed across multiple legislative instruments, relief instruments and regulatory guides. For example: organising them by industry sector could assist users operating in that particular sector, but a topic-based approach may better support consistency across sectors.</p> <p>Where practical, ASIC could consider consolidating relief and exemptions relevant to credit licensees, authorised credit representatives and mortgage brokers into a single, plain-</p>

Question		Response
		<p>language resource or instrument. This would make it easier for small businesses to confirm their obligations without extensive legal interpretation.</p> <p>To assist industry in identifying amendments, ASIC could publish “before and after” comparison tables or change logs summarising which instruments have been merged, repealed or updated. This would help industry participants transition more smoothly and maintain compliance continuity.</p>

Section 3: Making it easier to interact with ASIC

Question		Response
11	With respect to interacting with ASIC, other than the work we’ve outlined, is there anything else we should prioritise?	<p>Based on member feedback, we make the following suggestions:</p> <ul style="list-style-type: none"> • Consolidate the licensing portal into the regulatory portal so there is one login. This has been done for AFSL holders, and the experience is it works very well. • Enhance the portal functionality so it can be used to issue and respond to notices – providing a secure exchange of information. • Faster response times and clearer timelines for response by ASIC – to assist business to manage internal deadlines and stakeholder expectations • Introduce a ‘process stage’ where users can log in to view the current status of their application(s) • More clarity on what documentation or evidence ASIC expects upfront, to reduce rounds additional information requests.
12	Are there any services that ASIC provides that you think cannot be facilitated electronically? If so, please provide more information.	Fully digital services; ensure all forms and application tracking are fully electronic – which we understand is in ASIC’s workplan.

Question		Response
		Ensure guidance on electronic submission format is very clear to reduce technology issues (such as file types or size limits).
13	With respect to how you use ASIC's registers, other than the work we've outlined, is there anything else you would like us to improve?	ASIC may wish to consider improving the searchability of registers by adding filters, tags, or better metadata.
14	Do you have feedback on our proposal to engage earlier with industry on data requests and revise our consultation approach?	The MFAA recognises that thematic surveillance is an important part of ASIC's regulatory role. We encourage ASIC to continue engaging with industry stakeholders before issuing notices, to ensure there is clarity about the data being sought and the required format including for example roundtables or workshops held early in the process to test and refine proposed guidance and that consultation periods are reasonable given the complexity and scope of the activity. We also support a greater focus on sharing insights from surveillance activity, so that monitoring outcomes can inform continuous improvement across the industry.
15	How would you prefer to interact with ASIC more generally? What can we improve?	<p>We have a constructive and collaborative relationship with ASIC, meeting regularly to discuss emerging issues and regulatory priorities. Building on this, ASIC could further strengthen its engagement by</p> <ul style="list-style-type: none"> • maintaining a co-design approach when developing or reviewing regulatory requirements, • holding periodic industry briefings to provide forward visibility of its program of work, • engaging in early and open consultation before issuing data notices or making significant reporting changes, • providing clear and practical guidance with worked examples and case studies to illustrate expectations, and

Question	Response
	<ul style="list-style-type: none"> • sharing high-level insights from surveillance activity to support continuous improvement across the industry.

Section 4: Simplification through law reform

Question	Response
<p>16 What changes, if any, should be made to the reportable situations regime and substantial holding notices?</p>	<p>In relation to the reportable situations regime, member feedback suggests the following:</p> <ul style="list-style-type: none"> • Consider simplifying disclosure thresholds and reducing the frequency where reporting costs outweigh public benefit, particularly when remediation of an issue occurred swiftly. • Clarify definitions and terms to reduce ambiguity of what triggers reportable situations. • Expanding the regime to include aggregators who are not licensees of mortgage brokers.⁴ Whilst licensees are required to report a breach to ASIC, they are not required to share the report with their aggregator in circumstances where the aggregator is not the licensee. We recognise legislative amendments are required as a precursor to updating regulatory guidance. Like our recommendation with respect to reference checking, we believe there is an opportunity to strengthen the legislation to ensure that aggregators have greater visibility of breaches reported to ASIC on brokers that hold their own licenses. • For transparency, it is important to share breach reports made about a broker with that broker if the sharing of that report will not jeopardise an ongoing investigation.

⁴ Whilst licensees are required to report a breach to ASIC, they are not required to share the report with their aggregator in circumstances where the aggregator is not the licensee.

Question		Response
17	Are there any other regulatory reform ideas within ASIC's remit that could simplify the application of the law, or otherwise make it easier for individuals and businesses to meet their compliance obligations?	<p>We make the following suggestions:</p> <ul style="list-style-type: none"> • Reduce duplication between ASIC guidance, other regulators, and industry codes. • Greater use of "safe harbour" or "self-assessment" tools where appropriate, to reduce compliance risk for smaller entities. • Encourage more proportional regulation: scale obligations to size and risk rather than one-size-fits-all.

Concluding questions

Question		Response
18	Of all the simplification work outlined, which do you think we should prioritise and why? Where possible, provide information or data about the cost savings that could be achieved.	We suggest ASIC prioritise simplifying and consolidating of regulatory instruments and guidance materials to minimise duplication and reduce time required for reading and compliance. Cost savings may be achieved by users navigating simpler guidance and fewer documents.
19	Are there any costs associated with any of the options that are important for us to consider?	We have not done a cost analysis and suggest this is an action for ASIC to undertake.
20	Are there any additional areas of simplification you would like us to consider?	We recommend ASIC consider:

Question	Response
	<ul style="list-style-type: none"> • reducing IDR reporting for small licence-holders to annually, similar to the approach ASIC has provided for small and medium sized banks⁵ • simplifying the regulations detailing the requirement for AFCA membership for each authorised credit representative by addressing recommendation 14 of Treasury’s Review of the Australian Financial Complaints Authority (AFCA) to no longer require authorised credit representatives to be members of AFCA. The way regulations are currently structured means that an individual and corporate credit representative have to have separate membership – this results in two AFCA memberships⁶ • simplifying enforcement processes • aligning ASIC guidance with other regulators and international best practice to reduce confusion for firms operating across jurisdictions.

⁵ ASIC news item, *ASIC reduces complaints reporting frequency for small banks*, <https://www.asic.gov.au/about-asic/news-centre/news-items/asic-reduces-complaints-reporting-frequency-for-small-banks/>, 24 September 2025.

⁶ The Australian Government agreed to recommendation 14 (*the National Consumer Credit Protection Act 2009 should be amended to no longer require authorised credit representatives to be members of AFCA*) in Treasury’s Review of the Australian Financial Complaints Authority (AFCA), November 2021.