



**ASIC**  
Australian Securities &  
Investments Commission

# ASIC enforcement and regulatory update

July to December 2024

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## 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 2001* and other applicable laws apply to you, as it is your responsibility to determine your obligations. Examples in this report are purely illustrative; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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'The results of ASIC's transformation are flowing through to the range of regulatory guidance, increase in investigations and landmark enforcement actions.'

— Joseph Longo, Chair, ASIC



## Protecting consumers from financial harm

With cost-of-living pressures remaining a primary concern for many Australians, ASIC is taking strong and decisive action against companies and individuals who fail to protect consumers and investors.

ASIC coordinated the removal of 6,270 investment scam websites and online advertisements in 2024 – bringing the total to 10,240 since July 2023 when ASIC first established this capability. That is an average takedown of 130 investment scam websites a week and included 7,227 fake investment platform scams, 1,564 phishing scam hyperlinks and 1,257 cryptocurrency investment scams.

From July to December 2024, we were successful in the majority of our civil and criminal prosecutions, securing \$46.6 million in civil penalties and 13 criminal convictions. We also commenced 109 investigations, up 31% from the prior corresponding period.

Following ASIC's Better banking for Indigenous consumers review, \$28 million will be returned to banking customers on low incomes. The review found that 2 million customers had high-fee accounts when they were eligible for low-fee accounts.

In November, ASIC commenced court action against Cbus trustee United Super, alleging delays in processing death benefits and total and permanent disability insurance claims for more than 10,000 members and claimants.

ASIC secured the first court-imposed penalties for greenwashing, with Mercer Superannuation (Australia) Limited penalised \$11.3 million and Vanguard Investments Australia \$12.9 million for making misleading statements about the sustainability of investment offerings.

Having put banks and lenders on notice in the first half of the year over gaps in their anti-scam and hardship practices, we took landmark court action against HSBC Australia for allegedly failing to adequately protect customers scammed out of a total of \$23 million. We also commenced court action against National Australia Bank (NAB) for allegedly failing 345 customers who applied for hardship support.

We put the insurance industry on notice over failures in complaints handling and commenced civil proceedings against QBE Insurance for allegedly misleading customers about pricing discounts.

## Promoting the integrity of Australia's markets

ASIC plays an integral role in maintaining the integrity of Australia's markets. A review launched in July found that Australia's equity markets continue to operate with a high level of integrity and remain among the cleanest in the world.

To protect market integrity, we use a combination of real-time trade surveillance data, award-winning analytical tools and human expertise to track down and identify potential misconduct.

We have also stood up a dedicated criminal investigation team to swiftly progress insider trading cases that flow from our surveillance activity.

In 2021, we targeted online pump and dump activity, warning traders on chat rooms, reviewing 'influencer' activity and undertaking targeted reviews where we observed leaks ahead of market announcements. Following this, in July 2024, we announced criminal charges had been laid against four people for their alleged involvement in a coordinated scheme using the 'Telegram' app to pump up the value of Australian shares before dumping them at inflated prices.

We also intervened when conduct did not live up to expectations. The Markets Disciplinary Panel

fined Macquarie Bank a record \$4.9 million for serious market gatekeeper failure, and we took action against COFCO International for alleged market manipulation over wheat futures.

We underscored our focus on robust corporate governance, taking the Australian Securities Exchange (ASX) and Regional Express Holdings Limited (administrators appointed) (Rex) to court for allegedly misleading the market.

## Addressing emerging issues

ASIC has been at the forefront in addressing emerging regulatory challenges such as those relating to sustainable finance, crypto assets and artificial intelligence (AI). In October, we issued our first state of the market review on AI adoption by financial services licensees. In December, we invited industry feedback on proposed updates to our digital asset guidance, providing 13 practical examples of how the current financial product definitions apply to digital assets and related products.

## Looking forward

Our [2025 enforcement priorities](#), outlined by our Deputy Chair at the ASIC Annual Forum, reflect the increased cost-of-living pressures consumers face and aim to prevent financial harm. In particular, we are closely monitoring developments in the insurance and superannuation sectors and are particularly alert to inconsistencies and complacency harming Australians.

What happens in board rooms has real impacts in lounge rooms.

We will continue to engage with industry on the evolution of Australia's public and private markets, to maintain their integrity and encourage trust and investment in our economy.

We will also seek to simplify our regulatory framework through our Simplification Consultative Group, to meet the challenges of a rapidly evolving economy. We look forward to engaging with industry in this regard.

Last year we increased the number of investigations, which we anticipate will yield significant compliance, enforcement and consumer outcomes in the year ahead.

These commitments continue ASIC's work as a modern, confident and ambitious regulator.

– *Joseph Longo, Chair, ASIC*

# Highlights (1 July to 31 December 2024)



**28 million**

being returned to bank customers on low incomes



**2,460**

investment scam websites and online advertisements taken down by ASIC



**109**

investigations commenced

↑ 31%\*



**46.6 million**

in civil penalties imposed by courts



**13**

criminal convictions (individuals)

↑ 44%\*



**376**

surveillances completed

↑ 8%\*



**15**

new civil proceedings filed



**13**

new criminal litigations commenced

\*Compared to prior corresponding period: 2H 2023

# Our 2024 enforcement priorities

These priorities outline our focus areas for industry and stakeholders.



Enforcement action targeting poor distribution of financial products



Misleading conduct in relation to sustainable finance including greenwashing



High-cost credit and predatory lending practices to consumers and small business



Member services failures in the superannuation sector



Misconduct resulting in the systematic erosion of superannuation balances



Insurance claims handling



Compliance with the reportable situation regime



Conduct impacting small business including small business creditors



Enforcement action targeting gatekeepers facilitating misconduct



Misconduct relating to used car financing to vulnerable customers including brokers, car dealers and finance companies



Compliance with financial hardship obligations



Technology and operational resilience for market operators and market participants

# Our enforcement actions resulted in record penalties for greenwashing, and our first successful court outcomes for design and distribution breaches.



Protecting consumers, small businesses and investors



Strengthening financial market integrity



Improving regulatory compliance

In the second half of 2024, ASIC achieved successful court outcomes with significant penalties imposed for greenwashing, and design and distribution breaches.

The Federal Court ordered Vanguard Investments Australia to pay a \$12.9 million penalty for making misleading claims about environmental, social and governance (ESG) exclusionary screens, conduct that Vanguard admitted. This is the highest court-imposed penalty yet for greenwashing. In addition, Mercer Superannuation (Australia) Limited was ordered to pay an \$11.3 million penalty after admitting it made misleading statements about the sustainable nature and characteristics of some of its superannuation investment options.

As a result of breaches of design and distribution obligations (DDOs), the Kraken crypto exchange's Australian operator, Bit Trade Pty Ltd, and American Express Australia Limited (Amex) each received an \$8 million penalty from the Federal Court. Bit Trade's case was our first penalty against an entity for failing to have a target market determination (TMD). The Court found it had unlawfully issued the credit facility to more than 1,100 Australian customers. Meanwhile, Amex failed to identify that the TMDs of two credit cards it co-branded with David Jones were no longer appropriate. Amex admitted the contraventions and jointly submitted the penalties sought by ASIC were appropriate.

In proceedings against another crypto company, we alleged Oztures Trading Pty Ltd, trading as Binance Australia Derivatives, misclassified more than 500 retail clients as wholesale clients,

denying them important consumer protections. These matters followed our first successful DDO case, when the Federal Court found Firstmac Limited breached DDO provisions by cross-selling a product to consumers without taking reasonable steps to ensure they were in the relevant target market.

## Summary of key activities

ASIC's Vanguard greenwashing action results in record \$12.9 million penalty ([24-213MR](#))

ASIC's first greenwashing case results in landmark \$11.3 million penalty for Mercer ([24-173MR](#))

ASIC wins case against Kraken crypto exchange operator for design and distribution failure ([24-186MR](#))

Kraken crypto exchange operator to pay \$8 million following ASIC enforcement action ([24-274MR](#))

American Express ordered to pay \$8 million penalty for failing to meet its design and distribution obligations ([24-158MR](#))

ASIC sues crypto company Binance Australia Derivatives for consumer protection failures ([24-283MR](#))

ASIC successful in first DDO case against Firstmac ([24-151MR](#))

# Addressing high-cost credit and predatory lending remains an enforcement priority. We will act against business models designed to avoid consumer credit protections.



Protecting consumers, small businesses and investors



Strengthening financial market integrity



Improving regulatory compliance

We put the interests of consumers and investors at the heart of everything we do. And we will continue to act where we consider business practices are designed to avoid consumer credit protections.

We commenced proceedings against Oak Capital Mortgage Fund Ltd and Oak Capital Wholesale Fund Pty Ltd (Oak Capital) for allegedly making up to 47 loans totalling more than \$37 million under a model designed to avoid the operation of the National Credit Code and the *National Consumer Credit Protection Act 2009* (Credit Act). We also commenced proceedings against Ausfinancial Pty Ltd, trading as Swoosh Finance, for allegedly breaching its responsible lending obligations and DDOs when providing credit contracts to 11 consumers.

The Federal Court found that Rent4Keeps had breached the Credit Act. Its largest franchise, Darranda Pty Ltd, entered into 516 'lease' agreements with customers who paid significantly more for items than they lawfully should have.

We also turned our attention to lending practices by car dealerships, resulting in our first civil proceeding addressing these practices. We alleged Keo Automotive and Diamond Wheels provided unlicensed car loans to consumers, many of whom paid an excessive interest rate, and that Ken Keomanivong (a director of Keo Automotive and former director of Diamond Wheels) was involved in this conduct. We were concerned that consumers were charged roughly double the amount of interest that could lawfully be charged.

As a result of our earlier proceedings, contracts for difference (CFD) issuer Union Standard

International Group Pty Ltd and two of its former corporate authorised representatives, BrightAU Capital Pty Ltd (trading as TradeFred) and Maxi EFX Global AU Pty Ltd (trading as EuropeFX), were found by the Federal Court to have engaged in systemic unconscionable conduct and other contraventions of the law, which led to customer losses of more than \$83 million.

Separately, former financial adviser Ben Jayaweera was sentenced to 12 years' imprisonment after he was found to have caused 12 former clients a total detriment of \$5,958,870. Mr Jayaweera has appealed both the conviction and the sentence.

## Summary of key activities

ASIC sues Oak Capital alleging unconscionable conduct designed to avoid the National Credit Code ([24-243MR](#))

ASIC takes action against Swoosh alleging responsible lending failures and DDO breaches ([24-285MR](#))

ASIC wins against Rent4Keeps for overcharging vulnerable consumers on essential household goods ([24-195MR](#))

ASIC sues south-west Sydney car dealership for alleged unlicensed lending ([24-209MR](#))

Federal Court finds CFD issuers engaged in systemic unconscionable conduct with customer losses totalling over \$83 million ([24-287MR](#))

Former Brisbane financial adviser Ben Jayaweera sentenced to 12 years imprisonment for fraud at retrial ([24-188MR](#))



Insurance and superannuation are taking on increasing importance to Australians. Where we consider there to be consumer or investor detriment, we will test the limits of the law.



Protecting consumers, small businesses and investors



Strengthening financial market integrity



Improving regulatory compliance

In the first half of 2024, we took action against Shield Master Fund to halt new offers of investment in Shield. We are investigating whether significant investor funds may have been dissipated. We have taken a range of court actions to protect investor funds, including freezing assets and appointing receivers, managers and voluntary administrators in September. We understand that thousands of people invested more than \$480 million in this fund over a two-year period. Potential investors were called by lead generators and referred to personal financial advice providers. Investors were advised to roll their superannuation assets into a retail choice superannuation fund and then to invest part or all of their superannuation into Shield.

Separately, we have clarified and tested the extent of laws in unfair contract terms. Following proceedings brought by us, the Federal Court declared a term used by PayPal Australia Limited in its standard form contracts with small businesses to be unfair. The term allowed PayPal to retain fees it had erroneously charged if the small business failed to notify PayPal of the error within 60 days of the fee appearing on its account statement. The judgment noted that PayPal was not aware of, nor did ASIC's investigation find, any instance where it had caused a consumer harm by relying on the term. PayPal cooperated with and assisted ASIC during the investigation and proceedings.

In relation to the internal dispute resolution (IDR) framework, smaller financial firms were required to submit their IDR data to ASIC for the first time in 2024.

In December, we released a publication highlighting observations based on more than 4.7 million complaints reported by financial firms between 1 July 2023 and 30 June 2024. These findings indicated that general insurance products were subject to the most complaints, with the highest number being about service.

In a separate review of the IDR practices of 11 general insurers, we found that insurers failed to identify one in six customer complaints, effectively denying those Australians critical protections available through the IDR regime. Our review highlighted shortcomings in several areas, including the failure to identify complaints and systemic issues, as well as inadequate communications to customers.

## Summary of key activities

Court appoints receivers and new voluntary administrators to Keystone Asset Management ([24-197MR](#))

Court declares PayPal Australia used an unfair contract term ([24-147MR](#))

ASIC flags key observations from inaugural IDR data publication ([24-264MR](#))

ASIC puts insurers on notice for blind spots in complaints handling ([24-268MR](#))



## Case summary: HSBC

In December 2024, we initiated [proceedings against HSBC Bank Australia](#) in the Federal Court, alleging it failed to adequately protect customers scammed out of millions of dollars.

We allege that there was a significant escalation in reports of unauthorised transactions by HSBC Australia customers from mid-2023. This often occurred after scammers had obtained access to accounts by impersonating HSBC Australia staff.

Between January 2020 and August 2024, HSBC received approximately 950 reports of unauthorised transactions, resulting in customer losses of about \$23 million. Almost \$16 million of this occurred in the six months from October 2023 to March 2024.

## Why we needed to act

We know scammers are constantly looking for new ways to exploit people. Customers can lose their life savings in an instant.

We allege HSBC Australia failed to have adequate controls in place to prevent and detect unauthorised payments and failed to comply with its obligations to investigate customer reports of unauthorised transactions within the required timeframes. HSBC

also failed to reinstate customers' banking services in a timely manner.

Our investigation found that customers waited for extended periods – on average 145 days – for HSBC to complete investigations into reports that they had been scammed. We allege this slow response meant the bank failed to comply with its obligations under the ePayments Code.

The bank compounded the problem by locking some customers out of their accounts for months while they reviewed the scam transactions.

It took HSBC Australia an average of 95 days to restore customers' full access to their own bank accounts. One customer did not have full access restored for 542 days.

## What else is ASIC doing to prevent scams?

We continually focus on scam disruption activity, removing 6,270 investment scam websites and online advertisements during the calendar year.

Since ASIC first established the capability, 10,240 investment scam websites and online advertisements have been taken down, including 7,227 fake investment platform scams, 1,564 phishing

scam hyperlinks and 1,257 cryptocurrency investment scams.

In August, we released a [report on the anti-scam practices of 15 banks](#) outside the four major banks. The report expanded on work undertaken by ASIC in 2023 focused on the major banks.

The report highlighted that, overall, the approach to scam detection, prevention and response of the 15 banks was less mature than we expected and called on them to improve their practices.

**'We allege HSBC Australia's failings were widespread and systemic, and the bank failed to protect its customers – some getting scammed out of \$90,000 or more.'**

*– Sarah Court, Deputy Chair, ASIC*



# Superannuation

## ASIC takes action on Cbus, alleging systemic claims handling failures

### Case summary

In November 2024, we initiated [civil penalty proceedings against United Super Pty Ltd](#), the trustee of the Construction and Building Unions Superannuation Fund (Cbus). We alleged it failed to act efficiently, honestly and fairly in handling claims for death benefits and total and permanent disability (TPD) insurance from September 2022 to November 2024.

More than 10,000 members and claimants of Cbus were impacted by claims processing times for death benefits and TPD insurance claims exceeding 90 days. We allege that Cbus failed customers at their most vulnerable time of need. Cbus has estimated that members and claimants have lost \$20 million.

### Why we needed to act

Delays in claims processing cause material harm to families who may be relying on the payments to meet critical expenses. This compounds difficult personal circumstances that may involve grieving for a loved one or dealing with severe injury or illness. The additional anxiety and pain these delays cause exacerbate the issues members and their families face.

By late 2022, more than 6,000 Cbus members and claimants had their payments delayed by more than 12 months. Extraordinarily, that equated to more than 50% of Cbus' total claims at that time.

We allege Cbus failed its members and claimants at their most vulnerable time, and we took this case to protect all vulnerable Australians trying to access the financial support to which they are entitled.

We were also concerned that the Cbus trustee failed to report these issues to us, as required, within 30 days of becoming aware of them.

### ASIC's expectations

Our clear message is that trustees must put their members first and cannot outsource accountability in claims handling. In November, we wrote to superannuation trustee CEOs, urging them to improve death benefit claims handling.

In the first half of 2025, we will publish a report of our review of death benefit claims handling across the superannuation sector.

### Trustees acting on our actions

Following our action, other superannuation trustees announced improvements to their customer service. In December 2024, Australia's largest superannuation trustee, AustralianSuper, announced that it had commenced a program to pay an estimated \$4.2 million in compensation to about 7,000 beneficiaries whose death benefit claims took longer than four months to process.

**'The systemic failure by superannuation trustees to deliver essential member services is a key priority for ASIC and we will continue to take action to hold trustees to account.'**

*– Sarah Court, Deputy Chair, ASIC*

## ASIC sues NAB for failing customers facing financial hardship

### Case summary

We allege that NAB failed 345 customers at their most vulnerable when they applied for hardship support from the bank.

In November 2024, we [initiated proceedings in the Federal Court](#) alleging that between 2018 and 2023, NAB and its subsidiary Advantedge Financial Services Nominees Pty Ltd did not respond to customers' hardship applications within the 21-day timeframe required by law.

### Why we needed to act

Amid rising cost-of-living pressures, we have seen an increased number of customers reach out to their lenders for relief. We have also seen firsthand the impact on lives and livelihoods when lenders fail to appropriately support customers experiencing financial hardship.

In this case, customers applying for hardship included victims of domestic violence or those who were battling serious medical conditions or dealing with a business closure or job loss. NAB's failure to respond in a timely manner likely compounded the already challenging situation for these people.

Under the National Credit Code, if a consumer notifies their lender that they are or will be unable to meet their credit obligations, lenders must consider varying the customer's credit contract and advise them of the decision within 21 days.

### ASIC's expectations

Improving consumer outcomes and compliance with financial hardship obligations is a key priority for ASIC.

In May, we published Report 783 *Hardship, hard to get help* ([REP 783](#)), putting the lending industry on notice to improve approaches and processes for hardship applications. This followed a review of 10 lenders (and data collection from 20 additional lenders).

Since releasing the report, we have provided individual feedback to lenders that were part of the review, as well as some other lenders where we made enquiries following data analysis. Lenders have prepared action plans in response to this feedback, outlining the steps they will take to improve their practices. At ASIC's request, many have also appointed independent persons to oversee their implementation of these action plans.

**'We allege NAB unlawfully failed to respond to their customers' appeal for help when they needed them most.'**

– Joseph Longo, Chair, ASIC





Targeting poor distribution of financial products was an enforcement priority for ASIC in 2024. We took action and held large organisations to account when they did not meet their obligations.

In one case, [QBE Insurance \(Australia\) Limited](#) allegedly misled customers about the value of discounts offered on certain general insurance products. In a separate case, [Harvey Norman and Latitude Financial](#) were found to have engaged in misleading conduct in relation to a widespread advertising campaign.

### Case summary: QBE

Insurers' failure to deliver on pricing promises is one of our key priorities and we will continue to act to hold insurers to account.

Between July 2017 and September 2022, QBE published statements on its website and sent renewal notices promising discounts on premiums for a range of general insurance products, including home, contents and car insurance.

We allege QBE's pricing model potentially eroded the discounts that more than 500,000 customers received, in some cases to nothing. When renewing their policies, some customers were promised discounts for their loyalty, which they didn't receive.

**'Where insurers make discount promises to renewing customers, they need to have robust systems and controls in place to make sure their customers receive the discounts they were promised.'**

*– Sarah Court, Deputy Chair, ASIC*

### Case summary: Harvey Norman and Latitude

Between January 2020 and August 2021, Harvey Norman and Latitude ran a widespread newspaper, television and radio advertising campaign for a 60-month interest-free no-deposit payment method.

We were concerned the advertisements masked the requirement that consumers had to take out a credit card, such as the Latitude GO Mastercard, to purchase goods. We believed that many consumers may have been unaware of the financial arrangements they were entering into when buying everyday products at Harvey Norman stores. In some cases, this may have meant they paid considerably more for purchases than they expected.

### What the Court found

In October 2024, the Federal Court ruled Latitude Finance Australia and Harvey Norman Holdings Ltd had engaged in misleading conduct and made false or misleading representations in relation to the advertising.

The Court found that consumers were misled and had to enter into a fundamentally different financial arrangement than the one promoted – namely, a continuing credit contract with Latitude that was linked to a credit card.

*Note: On 5 November 2024, Justice Yates made declarations, and on 19 November 2024, Latitude and Harvey Norman each filed an application for leave to appeal.*

**'Consumers deserve to be fully informed so that they can consider their current financial position and decide if a credit card is the appropriate product for them.'**

*– Sarah Court, Deputy Chair, ASIC*



### Case summary

AI could transform the provision of financial services and credit in Australia. However, it also amplifies existing risks to consumers and introduces new ones, including bias and discrimination, and the provision of false information, eroding consumer trust.

To understand the risks to consumers and inform our regulatory response, we reviewed [the use of AI by 23 Australian financial services \(AFS\) and credit licensees](#).

### Our review and what we found

We analysed 624 examples of AI that 23 licensees in the banking, credit, insurance and financial advice sectors were using or developing as at December 2023. These directly or indirectly impacted consumers and included generative AI and advanced data analytics models. We also asked licensees about their risk management and governance arrangements for AI, and how they planned to use AI in the future.

Our review found that AI use is accelerating rapidly, with around 60% of licensees intending to ramp up their usage in the following 12 months. We also saw a shift towards using more complex types of AI, such as generative AI to summarise consumer correspondence, and chatbots for customer engagement.

With this rapid adoption, our review revealed increased risk to consumers due to the potential for governance to lag AI adoption. Nearly half of licensees did not have policies in place that considered consumer fairness or bias, and even fewer had policies governing the disclosure of AI use to consumers.

### ASIC's expectations

We want licensees to harness AI's potential safely and responsibly, benefiting consumers and financial markets. We expect institutions to have appropriate governance frameworks and compliance measures in place for the use of new technologies. This includes meeting consumer protection provisions, director duties and licensee obligations, as well as conducting ongoing due diligence to mitigate third-party AI supplier risk.

**'AI could bring significant benefits, but without governance processes keeping pace, significant risks could emerge.'**

*– Joseph Longo, Chair, ASIC*

### Key statistics

- **61%** of surveyed licensees planned to increase AI use in the following 12 months.
- **92%** of generative AI use cases reported were less than a year old, or still to be deployed. Generative AI made up 22% of all use cases in development.
- Only **12** licensees had policies in place that referenced fairness or related concepts such as inclusivity and accessibility in relation to AI.
- Only **10** licensees had policies that referenced disclosure of AI use to affected consumers.

We uphold the integrity of Australia's markets to support investor confidence and participation, and we will not hesitate to take enforcement action where we see misconduct.



Protecting consumers, small businesses and investors



Strengthening financial market integrity



Improving regulatory compliance

In the second half of 2024, ASIC took action against a number of companies, including ASX Limited for allegedly making misleading statements, and Rex for allegedly engaging in misleading and deceptive conduct and contraventions of continuous disclosure obligations.

We commenced proceedings in the Federal Court against Australia's largest market operator, ASX Limited, for allegedly making misleading statements related to its Clearing House Electronic Subregister System (CHES) replacement project. On 10 February 2022, ASX said the CHES replacement project was 'progressing well' and remained 'on track for go-live' in April 2023. We alleged that the project was in fact not tracking to plan at that time.

Separately, the NSW Supreme Court granted us leave to commence proceedings against Rex. We allege Rex engaged in misleading and deceptive conduct and contravened continuous disclosure obligations. We also alleged four of Rex's directors breached their duties as they failed to take steps to ensure the market had accurate information about the company's financial performance.

The Federal Court also ordered food manufacturer Noumi Limited to pay a \$5 million penalty after it admitted to breaching its continuous disclosure obligations by overstating the value of inventory. The Court found Noumi, when it was trading as Freedom Foods, failed to disclose material information about the value of inventories in its financial reports for the full year ending 30 June 2019 and the half year ending 31 December 2019.

Our insider trading investigations have resulted in Perth accountant Vittorio Letizia being charged over alleged insider trading when he purchased shares in Genesis Minerals Limited while in possession of inside information.

We cancelled the AFS licence of over-the-counter (OTC) derivatives issuer Prospero Markets Pty Ltd (now in liquidation). This followed the suspension of Prospero's licence in December 2023 after it failed to lodge its 2023 audited financial accounts. Our investigations into Prospero commenced last year after its former officers and responsible managers were charged with money-laundering offences relating to the Changjiang Currency Exchange money remitting chain. The Federal Court ordered Prospero be wound up on just and equitable grounds and that liquidators be appointed.

## Summary of key activities

ASIC sues ASX for alleged misleading statements ([24-177MR](#))

ASIC sues Rex and four directors for serious governance failures ([24-271MR](#))

Court orders Noumi pay \$5 million penalty for breaching continuous disclosure obligations ([24-174MR](#))

Perth accountant charged over alleged insider trading in Genesis Minerals shares ([24-289MR](#))

ASIC cancels AFS licence of Prospero Markets ([24-218MR](#))

# ASIC continued to protect investors as well as deter greenwashing misconduct and improve financial reporting and auditing by supervising and enforcing governance and disclosure standards.



Protecting consumers, small businesses and investors



Strengthening financial market integrity



Improving regulatory compliance

In our August report, *ASIC's interventions on greenwashing misconduct: 2023–2024*, we outlined the range of interventions ASIC has taken to stamp out misleading and deceptive conduct in relation to sustainable finance products and services. We made 47 regulatory interventions to address greenwashing misconduct in the 15-month period to 30 June 2024, and obtained 37 corrective disclosure outcomes by various entities.

We warned market intermediaries in June and September to exercise increased vigilance when verifying and managing clients' personal information. We issued an investor alert in October, following a recent rise in reports of share sale fraud affecting Australian investors and Australian financial services licensees. We raised awareness of the increased risk that stolen information may be used to commit identity theft and steal investors' shares. We will continue to work with industry to identify vulnerabilities and strengthen controls to prevent and detect share sale fraud.

We will continue our strong oversight of auditors to enhance the integrity and quality of financial reporting and auditing in Australia. In October 2024, we announced proactive surveillance focused on auditors' compliance with independence and conflicts of interest requirements. We wrote to the auditors and CEOs of large audit firms to advise them of this surveillance.

We also released the findings from our surveillance of financial reporting and audits for

the 12 months to 30 June 2024. We had findings in 25 financial reports, which resulted in entities making adjustments of \$1,886 million. Of the 25 entities, 16 also made, or agreed to make, changes to their operating and financial review disclosures.

## Summary of key activities

ASIC releases FY 2023–24 financial reporting and audit report and launches auditor independence surveillance ([24-240MR](#))

[Investor alert: Reports of stolen shares due to identity theft on the rise](#) (15 October 2024)

[ASIC writes to audit firm CEOs about surveillance on auditor independence and conflicts of interest](#) (30 October 2024)

ASIC continues action on misleading claims to deter greenwashing misconduct ([24-185MR](#))





### Case summary

Market cleanliness underpins the integrity of Australia's equity markets and ensures a well-functioning financial system. It helps Australian businesses to raise capital and manage risk, and gives investors confidence to participate. It also assists with price formation, which benefits investors and businesses in public and private markets.

Market cleanliness is measured by focusing on unusual trading ahead of material price-sensitive announcements.

### How clean are Australia's equity markets?

Australia's equity markets continue to be clean and to operate with a high degree of integrity. We continue to have some of the cleanest markets in the world.

We [measured the cleanliness of Australia's listed equity markets](#) for the period 2018 to 2024. Within those five years, we observed two periods of temporary deterioration. One was in 2020–21, during the COVID-19 pandemic, which caused market disruption and extreme price volatility. The other was in late 2023, when there was an uptick in anomalous (or abnormal) trading.

### Actions to support market integrity

We monitor the cleanliness of our markets and take decisive action to disrupt activities that may impact market integrity. In October 2021, we warned traders in a Telegram share market chat room named 'ASX Pump and Dump' that they may be breaking the law by seeking to organise stock price manipulation. In July 2024, four people were criminally charged for their involvement.

A temporary deterioration in market cleanliness in 2023 may have been a function of increased corporate transaction activity and an increase in media reports ahead of some price-sensitive announcements. In response, we commenced targeted surveillances where confidential information in corporate transactions appeared to have been leaked. We also considered techniques used by international regulatory peers to discourage leaks from corporate advisers, companies and investors to further inform our approach in Australia.

We also now have a dedicated criminal investigation team to swiftly progress insider trading investigations that flow from our surveillance activity.

### ASIC's expectations

All entities – including listed companies, investors, bankers, brokers and other advisers – have a key role to play to support market cleanliness. Inside information needs to be handled with care, with limits around who has access to it. This needs to be supported by robust policies and procedures, and action should be taken if a leak occurs.

As the capital markets landscape evolves, we are expanding our market cleanliness work beyond traditional listed equity markets. We will engage closely with industry on this in the first half of 2025.

**'Clean financial markets are essential for the financial wellbeing of Australians and fundamental to an efficient economy. They enable businesses to raise capital and manage risk, and give investors confidence to invest.'**

*– Joseph Longo, Chair, ASIC*



# Market integrity

## Macquarie Bank fined a record \$4.9 million for market gatekeeper failure

### Case summary

Following an ASIC investigation, the [Markets Disciplinary Panel \(MDP\) fined Macquarie Bank Limited](#) a record \$4.995 million for failing to prevent suspicious orders being placed on the electricity futures market. This is the highest penalty ever imposed by the MDP.

### Why we needed to act

The integrity of our markets is fundamental to maintaining trust in Australia's financial system.

Additionally, manipulating energy markets can have a detrimental flow-on effect on supplier funding costs and, in turn, energy prices. This can lead to higher energy bills for consumers, who are already struggling with the cost of living.

On 50 occasions between January and September 2022, Macquarie breached market integrity rules by permitting three of its clients to place suspicious orders.

Each order displayed characteristics of an intention to 'mark the close', meaning they were placed within the last minute of market close. This affected the daily settlement price in a direction favourable to the client's existing interest in that contract.

We put Macquarie on notice about suspicious orders placed by its clients on numerous occasions and it repeatedly failed to take timely action to address such conduct and the gap in its surveillance capability. As a consequence, it permitted further suspicious orders to be placed on the market.

### What the MDP found

The MDP found Macquarie should have suspected each of the 50 orders were submitted with the intention of creating a false or misleading appearance in the market.

Macquarie's conduct occurred during a period of unprecedented volatility in energy markets globally, stemming from supply issues and the Russia-Ukraine war. On six separate occasions, ASIC alerted Macquarie to its concerns about volatility in energy markets or suspicious trading by its clients.

The MDP found Macquarie had failed to appreciate the seriousness of its obligations as a market participant to act promptly and appropriately.

The record penalty reflects the serious, prolonged and potential systemic failures by Macquarie to detect and prevent suspected manipulation in the ASX 24 market for energy derivatives. Macquarie did not contest the alleged breaches and has complied with the infringement notice and paid the fine.

*Note: Compliance with the infringement notice is not an admission of guilt or liability.*

**'Efficient energy markets are there to ensure that consumers don't pay any more than they need to for electricity.'**

*– Joseph Longo, Chair, ASIC*



Over the past year, ASIC has demonstrated how targeted and proportionate use of our regulatory tools promotes compliance and accountability.



Protecting consumers, small businesses and investors



Strengthening financial market integrity



Improving regulatory compliance

We administer the Financial Accountability Regime (FAR) with the Australian Prudential Regulation Authority (APRA). The FAR commenced for the banking industry on 15 March 2024 and takes effect for the insurance and superannuation industries on 15 March 2025. In July 2024, we published new information to help insurers and superannuation trustees prepare for the start of the regime. In November, we published a letter with APRA to share observations on registration and notification lodgements made by the banking industry.

Our focus on the reportable situations regime remains ongoing. In December, we released findings from a review of the compliance arrangements of 14 licensees of different sizes and from various sectors that had low numbers of reportable situations. The review revealed that, on average, it took more than 500 days to report a breach to ASIC and the delays were often caused by licensees taking a long time to identify breaches in the first place.

Separately, we called on AFS licensees to assess the accuracy of the records of their financial advisers on the Financial Advisers Register. We also commenced a compliance program to ensure the information on their approved qualifications was correct. This will remain a key focus in the lead-up to 1 January 2026, when all financial advisers must comply with the qualification standard.

## Summary of key activities

ASIC and APRA issue final rules and information for the Financial Accountability Regime ([24-152MR](#))

[ASIC and APRA release observations from the banking industry's implementation of the Financial Accountability Regime](#) (27 November 2024)

[Reportable situations: Findings of ASIC's review and how licensees can improve compliance with the regime](#) (4 December 2024)

ASIC urges AFS licensees to correct records on the Financial Advisers Register ([24-142MR](#))

# Our regulatory guidance helps individuals and companies meet their existing obligations and support the transition to new ones, such as mandatory climate reporting.



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From 1 January 2025, following the passage of a major bill through Parliament, many large Australian businesses and financial institutions are required to prepare annual sustainability reports containing mandatory climate-related financial disclosures. ASIC plays a fundamental role in administering and, where appropriate, enforcing the mandatory climate-related financial disclosures regime.

In November, we released a draft regulatory guide on the sustainability reporting regime for consultation with stakeholders. The guide includes information on ASIC's approach to granting relief from sustainability reporting obligations, and how the regime will interact with existing legal and regulatory requirements.

To align with international reporting standards and ensure reporting requirements are fit for purpose, we also made changes to ASIC's derivative transaction reporting rules that came into effect in October. Our objective is to enhance the conformity and consistency of over-the-counter (OTC) derivative transaction data and ultimately improve its quality and useability for a range of regulatory purposes.

In July, we released a consultation paper on proposed rules to facilitate competitive outcomes in cash equity clearing and settlement services provided by the ASX Group. We are moving quickly to make the new rules, which will be the first time we exercise the new rule-making power under the competition in clearing and settlement reforms.

A key ongoing commitment for ASIC is to improve regulatory efficiency and reduce regulatory complexity. In November, we announced our work to review and update our regulatory guides to ensure they remain simple to follow, effective, current and appropriate. This work will involve extensive consultation with stakeholders, taking into account law reform, insights from case law about the provisions, and other relevant issues.

## Summary of key activities

ASIC seeks feedback on proposed guidance on sustainability reporting regime ([24-247MR](#))

ASIC urges businesses to prepare for mandatory climate reporting ([24-205MR](#))

[Changes to OTC derivative transaction reporting are now in effect](#) (21 October 2024)

[ASIC consults on rules to promote competitive outcomes in cash equity clearing and settlement services](#) (30 July 2024)

[ASIC update on maintenance of regulatory guides](#) (25 November 2024)



## Big banks to refund millions in fees to low-income customers

### Case summary

Bank customers on low incomes, including First Nations customers, will be refunded more than \$28 million after a first-of-its-kind ASIC review revealed that four Australian banks had systematically charged high fees to those customers who could least afford them.

Our review focused on improving financial outcomes for First Nations consumers by addressing avoidable bank fees. The findings, which are detailed in *Better banking for Indigenous consumers* ([REP 785](#)), have resulted in better outcomes for people on low incomes nationwide.

### What the review found

Our review found that ANZ, Bendigo and Adelaide Bank, the Commonwealth Bank of Australia (CBA) and Westpac kept at least 2 million low-income Australians in high-fee accounts, including many who relied on Centrelink payments to make ends meet.

This caused financial distress through avoidable fees and complicated bank processes, often creating additional challenges for regional and remote consumers. These processes even forced some consumers to travel hundreds of kilometres to their nearest bank branch to make the switch.

Before the review, most banks in general had difficult 'opt-in' processes for customers to switch to low-fee banking options.

All banks must ensure they have systems and processes in place that enable customers on low incomes to easily transition to low-fee accounts, regardless of their location.

Our expectation is that banks commit to adequate resourcing for specialist First Nations services and improve the accessibility and distribution of low-fee accounts.

### How banks have responded

Following our review, the four banks have migrated more than 200,000 customers to low-fee accounts, saving these customers an estimated \$10.7 million in fees annually.

We are working closely with the four banks whose actions featured in the report, as well as engaging across the banking sector to share the findings and ASIC's expectations for improving consumer outcomes. We will be sharing an update on progress in mid-2025.

**'Banks knew that many of these customers on low incomes were in inappropriate high-fee accounts, and it has taken ASIC's intervention to force them to act.'**

*– Alan Kirkland, Commissioner, ASIC*



# Our 2025 enforcement priorities

Our 2025 enforcement priorities reflect the increased risks consumers face due to cost-of-living pressures. These priorities are about protecting Australians from financial harm and targeting the people who try to take advantage of them.



Misconduct exploiting superannuation savings



Unscrupulous property investment schemes



Failures by insurers to deal fairly and in good faith with customers



Strengthening investigation and prosecution of insider trading



Business models designed to avoid consumer credit protections



Misconduct impacting small businesses and their creditors



Debt management and collection misconduct



Licensee failures to have adequate cyber-security protections



Greenwashing and misleading conduct involving ESG claims



Member services failures in the superannuation sector



Auditor misconduct



Used car finance sold to vulnerable consumers by finance providers

# Regulatory developments timetable

To help industry allocate resources, the regulatory developments timetable outlines proposed timeframes for ASIC regulatory activities that are expected to have a significant impact on the markets and sectors we regulate.

The timetable complements the Australian Government's [Regulatory Initiatives Grid](#) (RIG), which provides cross-agency transparency across law reform and regulatory initiatives that will materially affect the financial sector. The RIG is a point-in-time summary, with the first version published on 19 December 2024.

The [regulatory developments timetable](#) is available on the ASIC website. It has two parts:

- content replicated from the RIG for ASIC-led regulatory initiatives that will materially affect the financial sector
- ASIC's initiatives that will materially affect the corporate and non-financial sectors that ASIC also regulates.



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Australian Securities &  
Investments Commission