



ASIC
Australian Securities &
Investments Commission

ASIC enforcement and regulatory update

July to December 2025

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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 and other applicable laws apply to you, as it is your responsibility to determine your obligations.

'ASIC has secured record-breaking penalties in response to serious misconduct, and is protecting Australians and safeguarding trust and confidence in Australia's financial system.'

— *Joseph Longo, Chair, ASIC*



Executive summary

A transformed regulator

In the five years since I began my term, ASIC has transformed into a modern, confident and ambitious regulator. Looking at what we have achieved over the last six months provides clear evidence of that change.

Today, ASIC is one of the most active law enforcement agencies in the country. We are taking more cases to court, achieving record penalties, and protecting consumers. Over the last five years, we have doubled the number of investigations and recorded a 20% increase in civil enforcement proceedings.

We secured nearly \$350 million in court-ordered civil penalties in the second half of 2025, making it the highest six-monthly total in the agency's history. Our work will also see \$583 million returned to millions of Australians through refunds from excessive bank fees and payments in connection with investigations into high risk superannuation schemes.

We addressed regulatory complexity through our simplification work, took charge on the future of Australia's financial markets through our public and private markets work and announced a transformational package of reforms with the Australian Securities Exchange (ASX) to strengthen confidence in Australia's critical market infrastructure.

A landmark year for enforcement penalties

In the second half of 2025, we took court action against some of Australia's largest financial institutions over serious misconduct.

In December, the Federal Court ordered Australia and New Zealand Banking Group (ANZ) to pay \$250 million in penalties for widespread misconduct and systemic risk failures affecting the Australian Government, taxpayers and at least 65,000 retail bank customers. These were the largest combined penalties ASIC has ever secured against a single entity.

Other penalties included National Australia Bank (NAB) and its subsidiary AFSH Nominees who were ordered to pay \$15.5 million in penalties for failing to respond to customers facing hardship. This was followed by a \$20 million penalty for RAMS Financial Group Pty Ltd in October for compliance failures in relation to arranging home loans. In November, Cbus, one of Australia's largest superannuation fund trustees, was ordered to pay a \$23.5 million penalty for serious failures in processing members' death benefits and insurance claims.

This period's enforcement action also involved some of the most complex investigations in ASIC's history related to the Shield Master Fund and First Guardian Master Fund. Our focus has been on returning money to investors and, so far, we have been successful in securing more than \$420 million for around 4,000 investors.

While the matter is subject to appeal, the Supreme Court of Western Australia sentenced a West Australian fraudster to a 14-year term of imprisonment. This is the highest prison sentence imposed by an Australian court in relation to an ASIC criminal investigation.

A roadmap for regulatory reform

In 2025, our pioneering work on public and private markets received strong endorsement from industry and international peers. Like Australia, they are grappling with increased competition for capital, declining public market listings and strong growth in private markets.

In November, we released a response to our discussion paper, [Advancing Australia's evolving capital markets](#), which set out a regulatory roadmap to ensure our public and private markets remain strong, attractive to investors, and globally competitive – while protecting against risks.

At the same time we put Australia's private credit sector on notice to improve industry practices and protect against heightened risk for investors. We found the sector lacked consistent, well-established practices across governance, transparency, fees and valuations.

Following engagement with industry and consumers in September, we released our [Regulatory Simplification report](#) and sought input on a range of initiatives to make regulation clearer and easier to navigate. A total of 9,240 pages of regulation were culled to improve access to information.

The year ahead

While 2025 was a significant year, our work continues in intensity in the year ahead.

Enabling innovation in our markets will remain front and centre, as technological advances and distributed ledgers change how we invest in the next decade and beyond. Our investigations into the collapse of the Shield Master Fund and First Guardian Master Fund continue with a focus on returning available money to investors ahead of the next stage which involves holding those responsible to account.

We look forward to the ASX Inquiry's final report in March and ensuring ASX's commitments to our package of reforms are delivered in full.

In 2026, as the cost-of-living pressures remain at forefront for many Australians, we will continue to scrutinise industry, as outlined in our [misleading pricing practices enforcement priority](#).

I am incredibly proud of what we have achieved during my tenure, and I am confident the agency is well positioned to take on the challenges in the years ahead to protect Australians and the strength of our financial system.

Highlights (1 July to 31 December 2025)



349.8 million

in **civil penalties** imposed by courts



583 million**

to be returned to consumers and investors



23

new **civil proceedings** filed

↑ **53%***



17

criminal **convictions** (individuals)

↑ **31%***



11

new **criminal litigations** commenced



518

surveillances completed

↑ **38%***



123

investigations **commenced**

↑ **13%***



137,315

in **criminal fines**

↑ **510%***

*Compared with prior corresponding period: 2H 2024

** This amount reflects remediation and payments announced in the 1 July to 31 December 2025 reporting period in connection with ASIC's work. Payments may occur before or after the reporting period, and figures may be updated as the programs progress.

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 environmental, sustainability and governance (ESG) claims



Member services failures in the superannuation sector



Auditor misconduct



Used car finance sold to vulnerable consumers by finance providers

01

PROTECTING CONSUMERS, SMALL BUSINESSES AND INVESTORS



Case summary

Our action against ANZ for widespread misconduct and systemic risk failures led to the largest combined penalties ASIC has ever secured against a single entity.

In December, the [Federal Court ordered ANZ to pay combined penalties of \\$250 million for widespread misconduct and systemic risk failures](#) affecting the Australian Government, taxpayers and almost 65,000 retail bank customers.

The court ordered ANZ pay:

- \$135 million in combined penalties for institutional and markets misconduct relating to the management of a \$14 billion government bond deal and inaccurate reporting of secondary bond market turnover data to the Australian Government. This includes a record \$80 million penalty for unconscionable conduct
- \$40 million for failing to respond to hundreds of customer hardship notices, in some cases for more than two years, and failing to have proper hardship processes in place
- \$40 million for making false and misleading statements about savings interest rates, and failing to pay the promised interest rate to tens of thousands of customers, and

- \$35 million for failing to refund fees charged to thousands of dead customers and not responding to loved ones trying to deal with deceased estates inside the required timeframe.

The misconduct occurred over many years and across ANZ's institutional and retail divisions, highlighting ANZ's significant failure to manage non-financial risk across the bank.

Why we took action

Banks must maintain the trust of customers and the government, and ANZ is a critical part of Australia's banking system. The record combined penalties in this case reflect the seriousness of misconduct and the vulnerable position that ANZ put its customers in.

In the bond trading and misreporting matter, ANZ exposed the Australian Government to a significant risk of harm, denied the government an opportunity to protect itself and the public interest, and misled the government for nearly two years by overstating bond trading volumes by billions of dollars.

ASIC estimates ANZ's trading misconduct cost up to \$26 million, reducing funds that could have supported essential services.

Tens of thousands of customers also suffered from systemic failures across ANZ's retail bank, which extended to fundamental banking basics like paying the correct interest rate on savings accounts.

ANZ must do better

ASIC has now brought 11 civil penalty proceedings against ANZ since 2016. We expect ANZ to overhaul its non-financial risk management and put the interests of clients, customers and the public first.

'This outcome sends a clear message to ANZ that it needs to do better by its customers and to all banks that the cost of breaking the law is not an acceptable cost of doing business.'

— Sarah Court, Deputy Chair, ASIC

Case summary

ASIC's ongoing investigations into the collapse of First Guardian Master Fund and Shield Master Fund are among the most complex and detailed in our history.

Thousands of Australians invested their superannuation in managed investment schemes that were operated and managed by Falcon Capital (First Guardian) and Keystone Asset Management (Shield).

In the second half of 2025, our efforts to recover millions of dollars in lost retirement savings and to hold those responsible to account led to more than 50 court appearances in 12 legal cases underway against 21 defendants.

Nearly 50 ASIC staff are working on the investigations connected to Shield and First Guardian. We have banned financial advisers, executed search warrants with the Australian Federal Police, frozen assets, obtained travel restraints, cancelled financial services licences and commenced civil penalty proceedings against financial services licensees and financial advisers. ASIC has also commenced civil penalty proceedings against certain superannuation trustees seeking compensation for investors.

This work is an enforcement priority for 2026.

Certainty for victims

Our first priority has been to preserve any remaining assets of the Shield Master Fund and First Guardian Master Fund to the extent that they are available so they can be recovered for investors.

By December, as a result of ASIC's investigations, Macquarie and Netwealth had undertaken to repay more than \$420 million to victims who had invested their retirement savings in Shield and First Guardian.

Macquarie admitted to contraventions of the Corporations Act and committed to paying \$321 million to its members who invested their superannuation into the Shield Master Fund. Netwealth admitted to failures in relation to First Guardian and agreed to compensate more than \$100 million to members who had invested.

Super trustees are on notice

ASIC's investigations into Shield and First Guardian have placed superannuation trustees on notice. Between 1 July and 31 December 2025, four actions against superannuation trustees were announced.

In August, ASIC began civil penalty proceedings in the Federal Court against [Equity Trustees Superannuation Limited](#), alleging failures in due diligence for enabling \$160 million of retirement savings to be invested into the Shield Master Fund.

In December, ASIC began civil penalty proceedings against [Diversa Trustees Limited](#), alleging failures involving the First Guardian Master Fund, in which \$300 million was invested by members.

[02 July 2025](#)

Federal Court makes interim travel restraint orders against Falcon Capital directors and interim orders freezing assets of a director

[25 August 2025](#)

ASIC cancels AFS licence of MWL Financial Services and bans MWL's director

[26 August 2025](#)

ASIC sues Equity Trustees alleging due diligence failures relating to Shield

[29 August 2025](#)

ASIC takes further action against Ferras Merhi over First Guardian and Shield superannuation advice

[25 September 2025](#)

Macquarie admits to Shield contraventions and commits to pay \$321 million to affected members

Shield and First Guardian

Action taken by ASIC along the value chain

ASIC's enforcement action extends beyond superannuation trustees to those who researched the funds, provided ratings and advised investors.

In November, we commenced proceedings against [SQM Research](#) which prepared and published reports and ratings for the Shield Master Fund. This is the first action ever taken by ASIC against a research house, reflecting their role as important analysts who form part of a critical line of defence against poor quality investments or unsuitable products.

ASIC has also taken action against [Interprac](#) and [MWL Financial Services Pty Ltd](#) (in liquidation) alleging thousands of Australians were exposed to poor financial advice and significant risks through critical oversight and compliance failures. ASIC has also banned numerous financial advisers who advised clients to move their super into Shield and First Guardian.

What comes next

In line with our 2026 enforcement priority, we will hold those responsible to account for the collapse of the Shield Master Fund and First Guardian Master Fund.

We are continuing to work closely with the Australian Prudential Regulation Authority (APRA) to ensure trustees of regulated superannuation funds act responsibly when it comes to overseeing their members' funds, consistent with our respective mandates.

Our investigations have placed trustees of regulated super funds on notice. As the gatekeepers for their members' retirement savings, ASIC expects them to take active steps to monitor the funds made available on their platforms.

'Superannuation trustees must put their members first by acting with care and skill and by carrying out proper checks on investment options made available on their platforms.'

— Sarah Court, Deputy Chair, ASIC

[27 October 2025](#)

ASIC secures interim court orders barring Ferras Merhi from financial services

[12 November 2025](#)

ASIC sues SQM Research alleging misleading reports related to Shield

[12 November 2025](#)

ASIC takes action against MWL Financial Services, former director Nicholas Maikousis, and Imperial Capital Group Australia over alleged Shield advice failures

[12 November 2025](#)

ASIC sues Interprac over alleged Shield and First Guardian licensee failures

[9 December 2025](#)

ASIC sues Diversa Trustees alleging failures relating to First Guardian

[17 December 2025](#)

Netwealth admits to First Guardian contraventions and agrees to pay over \$100m in compensation to 1,000 superannuation investors



Overview

Banks charging excessive fees to low-income customers have agreed to refund \$161 million to customers nationwide after ASIC's 2025 bank fee review found millions of low-income Australians were trapped in high-fee accounts.

The review, which initially focused on regional and remote locations with significant First Nations populations, found that bank-fee harm is a widespread problem affecting Australians across the country.

Improving banking outcomes

In July, we published Report 811 *Better and beyond: Expanding better banking outcomes to more low-income Australians* ([REP 811](#)), outlining the outcomes from our follow-up work 12 months after the launch of Report 785 *Better banking for Indigenous Consumers* ([REP 785](#)).

Our follow-up work covered a broader scope of 21 banks (expanding from the initial four banks in the 2024 review) and confirmed that bank-fee harm is a nationwide issue.

As a result of our work, the banks agreed to refund over \$93 million to more than 920,000* customers. In December 2025, the Commonwealth Bank of Australia committed to refunding a further \$68 million to its customers in high-fee accounts, bringing the total refunds to \$161 million.

Several banks have also moved over one million customers into low-fee accounts, saving them an expected \$50 million in future yearly fees.

Seven banks have improved their processes while an additional nine banks have made it easier for customers to access low-fee accounts.

Several banks have also developed new initiatives to understand their First Nations customers, with six more banks collecting data to identify First Nations customers to inform culturally appropriate and sensitive service delivery.

Advice to industry

We expect banks to proactively identify low-income customers and move them into low-fee accounts and provide appropriate remediation for those who are experiencing fee harm.

Banks should regularly assess product design and distribution to ensure their customers have the most appropriate products and that they are given the support they need.

We will continue to monitor the banks and take enforcement action if we believe they are not fulfilling their obligations to their customers.

'Our intervention has forced many banks to take action, but more needs to be done to ensure financially vulnerable consumers are not put in this position again.'

— Alan Kirkland, Commissioner, ASIC



02

STRENGTHENING FINANCIAL MARKET INTEGRITY



Public and private markets

A roadmap for capital markets to grow Australia's economy

Case summary

Australia's capital markets are a fundamental part of the economy. In November, we delivered a response to our discussion paper on public and private markets: *Advancing Australia's evolving capital markets: Discussion paper response report* ([REP 823](#)), and set out a regulatory roadmap to ensure they remain strong, dynamic, and globally competitive, while protecting against risks.

Our response incorporated industry feedback, pioneering expert insights into the future of capital markets and international data comparisons, and findings from ASIC's surveillance of private credit funds.

Stronger practices in private markets – including private credit

In September, we put the [private credit sector on notice](#) to lift practices, driven by expert observations on private credit in Australia which highlighted better and poorer conduct and areas requiring attention.

Our private credit focus was reinforced in our response report, which included findings from our [wholesale and retail fund surveillances](#), revealing a fast growing, yet immature sector, untested in a crisis.

The report set out clear principles for the sector to benchmark and lift practices, encouraging industry also to enhance industry standards over the following 12 to 18 months.

Continued supervision of superannuation

We highlighted superannuation as systemically important in shaping our markets and how we will maintain supervision of superannuation trustees and platforms through our market cleanliness, financial reporting and audit, and investment disclosure activity. As they look for new areas to grow, we expect superannuation to take on even greater importance in shaping the future nature of public markets and private markets, including facilitating retail investor access.

Modernising public markets

We emphasised the need to modernise our public markets to fuel growth and encourage participation, including support for new listing frameworks and robust trading platforms. Our response outlined our work to streamline initial public offerings (IPOs) and disclosure requirements, and the need for market operators and government to closely consider a range of potential measures including director responsibilities, free float requirements and facilitating more foreign listings.

Enhanced transparency and reporting

The report outlines that ASIC needs better tools from government for effective supervision of managed investments, including retail and wholesale managed investment data reporting, notification of wholesale funds in operation, and independent audited financial reports for wholesale funds. Australia lags international peers in the managed investments data that we can access.

The roadmap ahead

Over the next 12 to 18 months, we will continue to deliver on our roadmap to promote strong, efficient, and globally competitive capital markets in Australia. We want our markets – private and public – to grow. That growth means stronger businesses, more jobs and a boost to our economy.

'Australia should be bold and seize the opportunities ahead, so that our markets remain strong, dynamic and globally competitive.'

— Joseph Longo, Chair, ASIC



Case summary

In June 2025, ASIC commissioned a landmark Inquiry into the Australian Securities Exchange (ASX) group and appointed an expert panel. This was following repeated outages and operational failures at ASX.

The Inquiry panel was asked to make recommendations to address any identified shortcomings in relation to governance, capability and risk management within the ASX group.

In December, we [responded to the ASX Inquiry Interim Report](#) with a package of reforms designed to build confidence in ASX and its critical market infrastructure to safeguard Australia's financial markets.

Interim Report findings

Shortcomings in ASX's governance, capability, risk management, and culture were identified in the report, requiring urgent attention and a significant reset.

Key findings of the ASX Inquiry Interim Report included that ASX's:

- focus on short-term financial performance and shareholder returns had compromised its obligations to operate critical national market infrastructure

- strategy lacks the vision necessary for the critical role it plays
- culture is defensive, which limits its ability to deliver meaningful change
- governance structures do not ensure the independence of its Clearing and Settlement subsidiaries and their required levels of investment
- existing supervisory practices have not achieved the desired outcomes.

Package of reforms

In response to the issues raised by the Panel, ASIC obtained commitments from ASX Group on a package of reforms including:

- strengthening the independence and governance of ASX's Clearing and Settlement Facilities Boards
- a strategic resetting of ASX's transformation program 'Accelerate', including development of comprehensive enterprise-wide strategies, with clear milestones and accountability for delivery
- imposing an additional \$150 million capital charge on ASX Limited to ensure ASX maintains robust financial resources until remediation is complete, and
- a commitment to stronger leadership.

Why we needed to act

Urgent action was needed to set ASX on the right path. The report found while some progress to rectify issues had been made at ASX, a significant transformation was required and could not be achieved through incremental measures or business as usual. ASIC's reforms package will act as a circuit breaker, restore confidence and lay the foundations for a resilient, world-class market operator.

Next steps

We will hold ASX to account on the delivery of its commitments. ASIC and the Reserve Bank of Australia will also step up their review to uplift their joint supervisory model for the Clearing and Settlement Facilities.

We expect the Final Report of the Inquiry will be delivered by 31 March 2026.

'We are determined to see lasting change that restores trust and confidence in the ASX and the integrity of Australia's financial markets.'

— Joseph Longo, Chair, ASIC

03

IMPROVING REGULATORY COMPLIANCE



Superannuation in retirement

Calling on super trustees to drive better retirement outcomes for members

Overview

Improving retirement outcomes for everyday Australians has been at the heart of our work with superannuation trustees in the second half of 2025.

We continue to monitor the progress by trustees in implementing the obligation of the retirement income covenant (RIC) and the development of retirement strategies to support those approaching or in retirement.

Our reviews and what we found

In November, we published findings from the [2025 Retirement 'Pulse Check'](#) survey of registrable superannuation entity (RSE) licensees – a joint initiative with APRA. The survey found a widening gap between trustees proactively working to improve members' retirement outcomes and those whose efforts remain on mere compliance with the RIC.

This was despite RIC obligations being introduced over three years ago.

ASIC's Report 818 *From superficial to super engaged: Better practices for trustee retirement communications* ([REP 818](#)) also revealed a lack of urgency among trustees to improve their retirement communications, with some offering a one-size-fits-all approach aimed primarily at pre-retirees.

We saw little evidence of trustees tailoring messaging and delivery methods to meet the needs of their diverse member base, including those already in retirement. Of particular concern, none of the trustees reviewed had developed specific retirement communications for vulnerable members.

Why this is an ASIC priority

More than 1.5 million superannuation member accounts are in the retirement phase, with a further 2.5 million expected over the next decade. By 2045, two in five trustees are expected to have more than half of their members in or entering retirement.

In addition, Moneysmart research suggests only one-third of Australians on the cusp of retirement are confident they will be financially comfortable once they leave the workforce.

We have urged trustees to lift their focus on improving retirement outcomes by taking steps to meet the better practices outlined in our reports.

How ASIC is supporting consumers

In the second half of 2025, we conducted focus group research with almost 300 Australians aged between 50 and 75 and surveyed Moneysmart users. Only 26% of respondents demonstrated a solid understanding of retirement savings while 18% of pre-retirees have clear retirement plans in place.

The insights have informed Moneysmart's approach in 2026 to deliver a new consumer education campaign aimed at cutting through the noise of retirement advice to provide people with confidence in their financial journey.

'Retirees collectively entrust almost \$600 billion in savings to the stewardship of super trustees, who should uphold their confidence by focusing on retirement strategies that meet their customer needs.'

— Simone Constant, Commissioner, ASIC



Financial reporting and audit

Improving financial reporting and audit quality through an expanded program of work

Overview

In the second half of 2025, we highlighted issues with the quality of financial reporting and audit in a series of three reports that underscored the need for accurate, accessible and reliable financial information.

Our reports identified concerning practices and areas that needed improvement, including inconsistent approaches to categorising unlisted investments and auditors failing to meet basic independence requirements. Reliable financial information remains more important than ever, particularly as entities with unlisted assets, such as superannuation funds and private credit funds, play a bigger role in the economy.

Our reviews and what we found

Our first ever review of the financial reporting and audit of superannuation funds, Report 816 *Accounting for your super: ASIC's review into the financial reporting and audit of super funds* ([REP 816](#)), revealed that RSEs have been taking different approaches when categorising unlisted investments, making it difficult for members to compare investments or understand how much they can rely on valuations.

In Report 817 *Building trust: Auditor compliance with independence and conflict of interest obligations* ([REP 817](#)), we found that multiple auditors from firms of all sizes were unable to effectively demonstrate compliance with their independence and conflict of interest obligations. Many auditors failed to meet basic independence requirements while others did not identify and critically evaluate potential threats to their independence.

Our findings led to a number of enforcement actions across the industry in the second half of 2025. This included the voluntary cancellation of a registered company auditor's registration, issuing an infringement notice to an audit firm, and three court-enforceable undertakings requiring registered company auditors to address independence and quality-management failures.

Separately, Report 819 *ASIC's oversight of financial reporting and audit 2024–25* ([REP 819](#)) showed that 18 corporate entities made or agreed to make changes in their financial reports following our annual surveillance.

Advice to industry

All stakeholders in the financial reporting chain are expected to carefully consider the findings across our three reports to improve their performance.

While we communicate directly to companies and auditors to take action to improve financial reporting and audit quality, we will also consider appropriate enforcement action in more severe cases.

'All participants in our economy rely on those preparing financial information to do so carefully and fairly, and those auditing that information to do so with skill, professionalism and independence.'

— *Kate O'Rourke, Commissioner, ASIC*



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