



15 October 2025

Simplification team
Australian Securities and Investments Commission
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Melbourne VICTORIA 3001

Lodged via email: simplificationconsultativegroup@asic.gov.au

Dear Sir/Madam

ASIC Report 813 Regulatory simplification (REP 813)

The Institute of Public Accountants (IPA) welcomes the opportunity to provide comments on REP 813.

General comment

IPA commends ASIC in its ongoing commitment to simplify financial, markets and corporate regulation. We have already observed the improved access to regulatory information in ASIC's new website and the drafting of recently issued documents, such as RG 280 *Sustainability Reporting*, which is well presented in terms of its structure and the content is easier to understand.

We also commend ASIC in acknowledging small-business users' specific needs, including piloting the roadmaps in Appendix C for small-company directors. Small businesses are ASIC's largest group of stakeholders and yet a cohort with the least resources and experience compared to their larger counterparts. Therefore, any assistance to reduce the burden on small business to understand and comply with their obligations would not only benefit the individual business but the community as a whole.

Overall, we support the proposals in the regulatory guidance contained in the REP 813.

In terms of other regulatory reform ideas, we offer the following recommendations:

- Feedback from IPA members states the need to reform the area of regulation of registered company auditors (RCA). ASIC's policy on the regulation of RCAs is to assess minimum competency and integrity requirements, and regulate the on-going RCAs' conduct. IPA is of the view that ASIC's regulation of RCAs is essential to providing investors and the community at large with confidence in the credibility of the audited financial reports by RCAs. IPA also supports the need for imposing minimum standards on both the competency and integrity of RCAs. We think ASIC has broadly achieved these objectives in the registration and regulation of RCAs where practitioners no longer satisfy the necessary requirements. However, we think that ASIC's effectiveness and efficiency in regulating RCAs can be

improved by developing different tiers of auditors that are proportionate to an entity's complexity and type of reporting. A new tier of registered/approved auditors would enable more professional accountants, such as members of IPA, to apply their knowledge and experience commensurate with the new reduced eligibility requirements.

- We also think the role of the Companies Auditors Disciplinary Board (CADB) should be included in the remit of ASIC as a regulator and enforcer and develop a formal process to share of information on non-compliance by an accountant between ASIC and the Professional Accounting Bodies (PABs).

Refer to our comments in Q17.

Specific comment

Our responses to the specific questions in the REP 813 are in Attachment 1.

For any questions relating to this submission, please contact [REDACTED], Group Executive Advocacy and Professional Standards, Institute of Public Accountants at [REDACTED].

Yours sincerely

[REDACTED]

Group Executive, Advocacy & Professional Standards
Institute of Public Accountants

Attachment 1 – IPA’s responses to REP 813 specific questions

Section 1 – Improving access to regulatory information

Q1. Has our new website improved searchability and access to useful information for you? Do you have any suggestions for further improvement?

IPA finds ASIC’s redesigned website easier to navigate and better access to information. The redesigned website is better structured and uses more meaningful and concise headings. This contrasts with the previous website, which had a large amount of information that was often listed on a page under headings with long descriptors that cluttered the page and made it more difficult and longer to sift through to the required information.

In terms of the content of the information on the redesigned website, once accessed, it is also easier to read and understand. The links within the accessed information also led to other useful information. This contrasts with the previous voluminous information to sift through with links to information that can be circular and do not necessarily lead to any more meaningful, new or useful information.

We also find the redesigned search functions easy to use.

However, we think the website can be improved and offer the following suggestions:

- After a user has accessed a link, it may be useful to change the colour of the link so that the user is aware that they have already opened that link. This is a common practice in many websites and can be useful when there is a vast amount of information and numerous links to it, as in the case of ASIC’s website.
- While the new “Regulatory resource search” function is useful, it can only be accessed from ASIC’s Home page. Once a user leaves this page, there is no obvious way of going back to the “Regulatory resource search”. We accessed the search page after randomly clicking on the ASIC logo. It would be useful if the “Regulatory resource search” is available on any page of information that the user is accessing, such as the drop down menu (on the left hand corner) or at the bottom of the web page.

Q2. 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?

IPA is of the view that all the possible areas of improvement in Table 1 are important and can be achieved simultaneously. There are many standard-setters with long-standing naming conventions of their pronouncements that ASIC can consider. For example, the Australian Accounting Standards Board (AASB) has AASB Accounting Standards, Interpretations, Conceptual Framework and Practice Statements, all of which have explicit purpose and authority.

ASIC to some extent already has a similar convention of Regulatory Guide (RG), Information sheet (INFO) and report (REP). The convention, however, can be better defined to ensure stakeholders are clear as to the purpose and authority of the different documents. Additionally, an effective naming convention must be underpinned by a document that is well written (ie concise and consistent in its use of terminologies and language) and tailored to its intended audience. A good example is RG 280 *Sustainability reporting*, where:

- The front cover “About this guide” – states the purpose of the guide
- Page 2 “About ASIC regulatory documents” – briefly describes the purposes of the other ASIC documents of Consultation Papers, RGs, INFOs and REPs

- Each section has an overview of the key points that is useful for both technical and non-technical users, while the remaining text in the section contains the technical content.
- The drafting is clear and well presented, thereby making what is an involved and complex set of requirements more manageable and easier to understand.

Additionally, we offer the following views on the potential improvement areas in Table 1:

Current regulatory gap	Potential improvement
<p>ASIC guidance is targeted at technical users</p> <p>Our guidance, which has high levels of detail and specificity, has traditionally been aimed at technical users. However, strategic decision makers want higher-level, simpler information to understand what they and their organisations need to do to comply, and what key risks to look out for</p>	<p>ASIC’s guidance could include a tailored summary, designed to assist strategic decision makers.</p>

IPA agrees with the potential improvement to assist strategic decision makers. We also think, where possible, a tailored summary for small businesses and small professional practices, such as financial advisers would be useful. This is because, small to medium enterprises (SMEs) are a cohort with less resources, compared to the larger entities to allocate to the understanding and application of the requirements. Therefore, any assistance to assist SMEs would be useful.

Current regulatory gap	Potential improvement
<p>ASIC guidance is often dispersed across a range of documents</p> <p>ASIC issues many different regulatory documents. Users said they needed to look at different types of documents, such as regulatory guides, speeches and media releases, to make sure they had all the relevant guidance on a particular topic.</p>	<p>ASIC could consolidate guidance on a particular topic so that users can access a comprehensive, single source of truth. This guidance should be updated to address emerging regulatory topics.</p>

IPA agrees with the potential improvement. Consideration of the recommendations of the Australian Law Reform Commission’s review of Chapter 7 of the Corporations Act would also provide valuable guidance in this respect.

Current regulatory gap	Potential improvement
<p>The naming of guidance is inconsistent, and the numbering system is confusing</p> <p>ASIC regulatory documents are numbered sequentially, and numbers are unrelated to topic or audience. Document names are also not always clear, with some documents on similar topics having different titles.</p>	<p>ASIC could adopt a naming convention for guidance materials. It could group guidance by sector or topic – noting there may be advantages and disadvantages to this approach – and dispense with the sequential numbering system.</p>

IPA agrees with the potential improvement. We would prefer the grouping of the guidance by sector or topic. For example:

- **RG FR xx** for Regulatory Guidance on financial reporting matters
- **RG AA xx** for Regulatory Guidance on audit and assurance matters
- **RG SR xx** for Regulatory Guidance on sustainability reporting matters.

We acknowledge that careful consideration is required to ensure that the grouping of guidance is appropriate and robust. Also refer to our comments above on naming conventions.

Current regulatory gap	Potential improvement
<p>The role and function of different forms of ASIC guidance are not clear</p> <p>Users did not perceive any clear distinction between ASIC regulatory guides and information sheets, for example.</p>	<p>ASIC could have internal policies for when to issue each form of guidance and should clearly explain the difference. Procedural guidance should be geared towards non-technical users.</p>

IPA agrees with the observed gap and potential improvement. Also refer to our comments above on naming conventions.

Current regulatory gap	Potential improvement
<p>Small-business users have particular needs</p> <p>Small-company directors in particular are a distinct user group, generally characterised by having limited time and experience in using ASIC information.</p>	<p>We plan to address these needs via the regulatory roadmap pilot for small- company directors (see Appendix C). We are also surveying small businesses to better understand their information needs.</p>

IPA agrees with the observed gap and potential improvement. We also commend ASIC in acknowledging small-business users' specific needs. Small businesses are ASIC's largest group of stakeholders and yet a cohort with the least resources and experience compared to their larger counterparts. Therefore, any assistance to reduce the burden on small business to understand and comply with their obligations would not only benefit the individual business but the community as a whole.

We find both the roadmaps in Appendix C for small-company directors and financial advice providers useful, in that they are well presented and written in simple and clear manner. We think that the roadmap for small-company directors should have a topic on "What are my reporting obligations?", which covers the areas of financial reporting, sustainability reporting and their assurance, as well as other obligations (if any). Additionally, the roadmaps for each topic should have a link to a page that contain more information that is relevant for that topic.

Q3. 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?

The presentation of guidance materials depends on the targeted audience and their needs. This is because different audiences have different levels of understanding and requirements. For example, a user of information of a small business has needs and understanding that are likely to be different to those of a user of information for a large multi-national and different yet again for the technical users. This is despite some common needs and understanding by all these stakeholders. As such, it is important for ASIC when developing its guidance materials to be clear on the purpose, requirements and level of authority (voluntary or mandatory application of the guidance). This would drive the depth of the guidance and presentation of the material that is tailored for the intended audience.

Guidance material is effective when its requirements are understandable and implementable. IPA thinks to achieve this, there must be a balance of a robust set of principles that may be supported by more prescriptive guidance where needed, along with examples and case studies to illustrate the application of the requirements. The principles should provide clear guidance on how to apply and comply with the requirements for a specific set of circumstances and conditions. The principles should also be broad enough to enable the principles to be applied where there is a variation to the specific set of circumstances and conditions but yet contain the substance of the transaction for which the principles apply. Such an approach would future-proof the guiding principles as

transactions evolve over time, while prescriptive guidance would facilitate the consistent application of the requirements. This is because, from our experience, voluntary application can result in an entity complying with the bare minimum – the effect of which is to only comply with prescriptive and not voluntary requirements. This may not achieve the optimal outcome of in the intended objective(s) of the guidance material.

Q4. Do you think the small-company and financial advice regulatory roadmaps are helpful? Would you suggest any improvements?

IPA finds the small-company and financial advice regulatory roadmaps are helpful. Refer to our comments in Q2 for suggested improvements.

Q5. Should we consider piloting additional roadmaps? If so, for which sectors?

Given the potential usefulness of the roadmaps, IPA thinks there should be a roadmap for all sectors and material topics. For example, sustainability reporting and assurance obligations required by the new sustainability reporting, assurance and ethical frameworks, with specific guidance for SMEs.

Q6. Would alternative formats of the regulatory roadmaps be helpful (for example, hard-copy versions or podcasts)?

IPA thinks the format of the regulatory roadmaps should be in a digital format in the form of publication (eg PDF), webinars and podcasts where possible. The digital format is a less costly and sustainable medium to disseminate information that a user can access at any time and from anywhere. It also enables ASIC to update the information more easily and quickly, and thereby allow the timely dissemination of information to the stakeholders.

Section 2 – Reducing complexity in regulatory documents

Q7. Are our best-practice drafting principles useful? Is there anything you would change?

IPA is pleased to see that ASIC has developed a set of best practice drafting principles for developing the policy specifications, preparing and drafting the instructions.

However, we believe it is essential that ASIC engages collaboratively with stakeholders at the commencement of the policy stage to discuss the issues or behaviour ASIC is trying to address with a policy to gain insights or advice regarding how the policy may most effectively resolve the issue.

Our views on the proposed principles are:

Proposed principles

Developing policy specifications

- 1. Be clear and precise about the policy outcomes to be achieved through the instrument. Record those outcomes in our policy specifications template.***
- 2. Identify and resolve hard issues at the policy stage. Not doing so risks overly complex drafting that may not address those issues.***

IPA is of the view that it is important to have a set of guiding principles and criteria for choosing a subject matter for policy development. This ensures that the developed policy is considered, targeted and achieves its intended purpose(s). The principles and criteria also provide stakeholders with the rationale for the policy development. This may mitigate any perception that ASIC caters for

large entities and/or industries that have the resources to advocate for guidance. We think this is important in facilitating ASIC's legitimacy and credibility as a regulator.

We are also of the view that for the proposals to be more effective, there must be a detailed set of criteria underpinning these principles. Possible criteria for assessing the subject matter for policy development might include considering the relevance of the policy for the stakeholder, impact and urgency of the policy. This would ensure that developed policy is based on the needs of a large number of stakeholders, and where the policy addresses the needs of a small number of stakeholders, the policy was developed because of its significance or impact on the stakeholders.

Proposed principles

Preparing drafting instructions

- 3. Consider whether you can use general principles rather than detailed prescriptive rules to address issues. General principles are more likely to remain relevant and can evolve as the market environment changes.***
- 4. Minimise the use of exceptions to those general principles. If exceptions are necessary, they should be clearly signposted and structured as simply and clearly as possible.***
- 5. Draft for the majority, and don't try to cover all scenarios. In deciding whether to include a specific rule dealing with a remote scenario, consider whether the benefits of perceived certainty outweigh the additional complexity.***

We support the above proposed principles. We also think it is important the principles are underpinned by detailed set of criteria for the same reasons as those specified above. The criteria are particularly important for determining when to use exceptions to the principles. Also refer to our comment in Q3.

Proposed principles

Drafting instructions

- 6. Include a simplified outline and an objects clause to assist readers. A simplified outline is a non-operative part of an instrument that explains it in simple terms and can help readers identify which parts of the instrument may apply to them. An objects clause can also help readers understand if there is ambiguity about what specific provisions mean for them.***
- 7. Structure the instrument logically, and use headings and clear signposting to aid navigability. Place important concepts first and do not obscure them with things like procedural elements. Likewise, 'off-ramps', which scope whether a provision applies to a particular entity or situation, should be easy to identify and come early in the text.***
- 8. Use defined terms sparingly, focusing on where they are essential for clarity. Avoid creating a different definition for the same or similar concept that appears elsewhere in the legislative framework.***

We support the above proposed principles. Proposed principle 6 is particularly useful for SMEs. Also refer to our comment in Q3.

Q8. Is our consolidation of financial reporting, accounting and audit instruments helpful? If not, please provide any feedback on how it could be improved.

IPA supports ASIC's approach to consolidating legislative instruments that apply to related subject matter or industry sectors. We think this approach ensures the subject matter or industry sector issues are considered in its entirety and in one comprehensive document. This contrasts with the previous "piecemeal" approach of drafting legislative instruments to provide relief, modification or approval on a discrete topic.

We support the structure and content of the proposed instrument in Attachment B to REP 813 that consolidates financial reporting, accounting and audit instruments into one comprehensive instrument. We find:

- The “Simplified outline” at the start of each section useful, as it sets out the purpose and brief summary of the section.
- A good use of headings and the supporting content is easy to understand and navigate.

However, we think the title of the proposed title is “ASIC Corporations (Financial reporting, Accounting and Audit) Instrument 2025/XX” is too broad. We think the title can be more specific and reflect the nature of the instrument, in that the instrument relates to exemptions, declarations and an approval relating to financial reporting, accounting and auditing requirements. It may be more useful if the title is changed to perhaps that of “ASIC Corporations (Financial reporting, Accounting and Audit) Instrument 2025/XX – **Exemptions, Declarations and an Approval**” (added text in bold).

Q9. Is our simplification of the platform instruments helpful? If not, please provide any feedback on how it could be improved.

IPA finds the simplification of the platform instruments helpful for the same reasons as those outlined in Q8, along with suggested change in the instrument’s title.

Q10. 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?

IPA thinks that as the sustainability reporting and their assurance matures in the coming years, this may be another category of instruments for simplification or consolidation. We also suggest ASIC monitor the Australian Accounting Standards Board’s (AASB) *S2 Climate-related Disclosures* Proportionality project to simplify the reporting requirements for the small entities in Group 3.

Section 3 – Making it easier to interact with ASIC

Q11. With respect to interacting with ASIC, other than the work we’ve outlined, is there anything else we should prioritise?

IPA agrees with ASIC’s types of interactions outlined in section 3 of REP 813.

Q12. Are there any services that ASIC provides that you think cannot be facilitated electronically? If so, please provide more information.

IPA is of the view that given the advances and capabilities of information technology, we would encourage ASIC to harness their potential in providing its services. This would streamline the time and resources of both the stakeholders and ASIC in the interactions. In doing so, ASIC must ensure that the adopted electronic systems and processes also cater for the smaller entities or stakeholders, who may not have the same resources nor capabilities compared to those of the larger stakeholders.

Additionally, as information and interactions are conducted more electronically, it is imperative that ASIC has the highest security protocol to safeguard the information that is in their possession and privacy of the stakeholders. This is to ensure stakeholders have confidence in their interactions with ASIC and reduce the risk of unauthorised access and activities.

Q13. 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?

IPA have no further comment to add to those outlined in REP 813.

Q14. Do you have feedback on our proposal to engage earlier with industry on data requests and revise our consultation approach?

IPA have no further comment to add to those outlined in REP 813.

Q15. How would you prefer to interact with ASIC more generally? What can we improve?

IPA is of the view that it may be faster to interact with ASIC on routine and non-contentious matters electronically. However, for matters that are contentious, in dispute and require resolution, it is in both the stakeholder and ASIC’s interests to resolve the matters early. This is often better achieved between the stakeholder and dedicated ASIC staff (ie verbally). This is particularly pertinent for SMEs who may not have the experience to identify the problems and the action required to resolve them. Feedback from our members is that, electronic interactions with ASIC for issue resolution often result in numerous rounds of emails between the member and ASIC over a prolonged period of time. Some of the contributing factors were that our members were not sufficiently clear on the process and type and depth of information that ASIC requires.

Section 4 – Simplification through law reform

Q16. What changes, if any, should be made to the reportable situations regime and substantial holding notices?

IPA supports the suggested broadening of the relief parameters for reporting misleading and deceptive conduct breaches and the time taken to complete investigations. We are pleased that ASIC has taken these suggestions following feedback from stakeholders on the matter. However, we are of the view that this approach does not address the underlying reasons for stakeholders’ feedback that the reportable situations are complex and burdensome for the industry. We think it is important to review the regime and its requirements with a view of making more substantive changes to the regime as suggested by some stakeholders with one possibility of “undeeming” misleading and deceptive conduct breaches. We also acknowledge that significant changes to the legislative framework are the Government’s responsibility and this is not within ASIC’s remit. However, we think that it is in all stakeholders and ASIC’s interests that ASIC work closely with Treasury to explore the opportunities and help shape a more streamlined and effective regulatory framework for reportable situations regime and other areas for further law reform opportunities.

Q17. 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?

Feedback from IPA members is the need to reform the area of regulation of registered company auditors (RCA). ASIC’s policy on the regulation of RCAs is to assess minimum competency and integrity requirements, and regulate the on-going RCAs’ conduct. IPA is of the view that ASIC’s regulation of RCAs is essential to providing investors and the community at large with confidence in the credibility of the audited financial reports by RCAs. IPA also supports the need for imposing minimum standards on both the competency and integrity of RCAs. We think ASIC broadly achieves these objectives in the registration and regulation of RCAs where practitioners no longer satisfy the

necessary requirements. However, we think that ASIC's effectiveness and efficiency in regulating RCAs can be improved. Accordingly we offer the following observations and recommendations:

1. Develop different tiers of auditors proportionate to an entity's complexity and type of reporting

The current one-size fits all RCA registration requirements are no longer fit for purpose and in need of redesign to enhance the cogency of registered and regulated auditors that provide audit and assurance services to different scaled entities with varying degrees of risk complexities. The different tiers of registered auditors can have different eligibility requirements with RCAs retaining its existing high bar and the new registered/approved auditors having reduced requirements that specify minimum standards of competencies. The new tier of registered/approved auditors would enable more professional accountants, such as members of IPA, to apply their knowledge and experience that meet the new reduced eligibility requirements. This would add auditors to the diminishing and inadequate pool of available auditors. We recommend ASIC review and develop new auditor registration requirements for the above tiers, along with the auditor registration and renewal costs that are proportionate to the complexities of the reports to be assured and the tier of auditors that perform the audit engagement.

2. Co-regulation concerns and sharing of information

Currently:

- **Co-regulation** – where ASIC finds the auditor's conduct is deficient, it may refer the matter to the Companies Auditors Disciplinary Board (CADB). By referring the matter to the CADB for determination, we think the CADB, not ASIC, is performing the role of an enforcer for the misconduct of RCAs. ASIC is essentially more of a regulator than an enforcer. We think, the role of the CADB should be included in the remit of ASIC as a regulator and enforcer.
- **Sharing of information on non-compliance by an accountant** between ASIC and the Professional Accounting Bodies (PABs) is inadequate. To protect the public's interest, a formal process should be put in place to ensure an individual's misconduct is shared with the relevant regulators and PABs. A similar approach under the *Tax Agent Services Act 2009*, enabling the Tax Practitioners Board to share the outcome of their investigations with the PABs should be adopted. We think that as co-regulators of auditors' compliance with audit and professional standards, regulation by each 'body' should be open and transparent and have a spirit of sharing information of interest to related bodies. We welcome recent notifications by ASIC relating to disciplinary matters and look forward to further developing information sharing protocols.

3. Building on previous reports and recommendations

- IPA refers to the 2023-24 inquiry by the Australian Law Reform Commission, *Confronting Complexity: Reforming Corporations and Financial Services Legislation* (ALRC Report 141) which contains 58 recommendations. IPA generally supports the recommendations and believes they will make a significant difference to the simplification of the legislation in this area. Many of the recommendations and their intent can be extended more broadly to other sectors, especially with respect to the over-use of Legislative Instruments.
- We note implementing the recommendations made by the ALRC would produce legislation that:
 - is easier to navigate and understand
 - reduces the costs of unnecessary complexity in the existing legislative framework
 - promotes the principled use of delegated legislative powers, with appropriate levels of guidance and oversight from Parliament
 - promotes meaningful compliance with the substance and intent of the law
 - is flexible and adaptive to new business models, technologies, and practices and
 - provides a better platform for implementing future policy initiatives.