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Australian Securities and Investments Commission
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Dear [redacted]

ASIC Consultation Paper 387 (CP 387) – Enhanced beneficial ownership disclosure: Proposed legislative instrument, form and guidance

1. INTRODUCTION – MUFG CORPORATE MARKETS

MUFG Corporate Markets is a division of MUFG Pension & Market Services. We provide issuers with a comprehensive range of corporate markets services, including shareholder analytics and identification, equity market intelligence, investor communications and shareholder management technology. Our investor relations business operates in Sydney, Hong Kong and London and has supported Australian listed issuers for over 25 years.

A core component of our Australian investor relations offering is the administration of tracing notices on behalf of listed companies and the maintenance of the Register of Relevant Interests (**RORI**) required under Part 6C.2 of the *Corporations Act 2001* (Cth) (the **Corporations Act**). We do so at significant scale. Since the start of 2025, MUFG Corporate Markets has undertaken beneficial ownership analytics for over 440 ASX listed issuers, receiving in excess of 108,000 responses to tracing notices across approximately 430 custodians and nominee companies.

Given this experience, we have a strong practical understanding of the tracing notice regime, the existing operation of RORIs, and the operational implications of ASIC's proposal to prescribe a mandatory RORI format under Part 5 of the draft *ASIC Corporations (Listed Entities Enhanced Beneficial Ownership) Instrument 2026/XXX*.

2. KEY PROPOSALS

MUFG Corporate Markets supports the Government's policy objective of enhanced transparency of beneficial ownership, as reflected in the *Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025* and ASIC's underlying intent in the changes proposed by CP 387. Our concern is not with the objective of transparency, but with aspects of the proposed implementation design, which risk producing outcomes that are inconsistent with that objective in practice.

In particular, the proposed RORI format places the obligation to standardise and structure tracing data entirely on issuers, notwithstanding that issuers do not control the format, structure or quality of tracing notice responses. In our view, this design choice risks increasing compliance costs, discouraging ongoing tracing activity and fragmenting participation across the market, particularly among small and mid-capitalisation issuers.

In addition, we encourage ASIC to provide baseline implementation measures, such as phased commencement and transitional relief, to support orderly transition to the new regime and avoid unintended reductions in tracing activity during implementation.

Accordingly, we propose that ASIC consider the following implementation options to give full effect to the transparency objectives of the regime, while mitigating unintended operational, behavioural and data use consequences:

1. **Explore mechanisms to standardise tracing notice response formats** to support the operation of the proposed RORI requirements. We acknowledge ASIC's indication that it may not consider itself to have a clear power to mandate tracing notice response formats at this time. Nevertheless, standardisation at the response level would be the most effective way to support the detailed RORI format proposed in CP 387, by ensuring that data is structured at source by intermediaries best placed to interpret beneficial ownership information. ASIC may therefore wish to consider whether such an approach could be progressed over time, including through future reforms or frameworks analogous to the European Union's Revised Shareholder Rights Directive (SRD II).

2. If standardised tracing notice responses are not possible, **enhance transparency by improving the usability of the existing RORI through a structured index over raw tracing disclosures, rather than requiring issuers to normalise and restate tracing data into a fully prescribed, field-level format**. Under this approach, issuers would retain tracing notice responses in their original (raw) form, supplemented by a mandatory, standardised index containing key metadata (such as a disclosure identifier, date, member identifier, relevant securities and quantity) to enable efficient navigation, comparison and interpretation of disclosures in a way that meets the minimum requirements for a RORI in s 672DA. This would materially improve transparency and usability for downstream users while avoiding the significant compliance burden, cost and error risk associated with transforming heterogeneous third-party responses into a rigid prescribed schema.

3. If neither response-level standardisation nor simplification is adopted, **providing best-efforts compliance provisions**, under which issuers who reasonably transpose tracing notice responses into the prescribed RORI format are taken to comply, without any obligation to seek further information where it has not been provided. However, we emphasise that while such an approach would mitigate immediate compliance risk and cost, it would not represent an optimal long-term solution, and ASIC should continue to explore response-level standardisation as the regime evolves.

4. Across any of the above approaches, **consider using the implementation flexibility conferred by sections 672DA and 672DB of the *Corporations Act 2001* to introduce appropriate proportionality measures**, such as materiality thresholds or graduated treatment of highly granular data fields, to manage privacy and misuse risks while preserving transparency in relation to ownership, control and influence.

3. DETAILED COMMENTS ON PROPOSAL B15 IN CP 387 – PRESCRIBED FORMAT FOR REGISTERS OF RELEVANT INTERESTS

ASIC proposes to require that the RORI be kept in a delimited file format, with a separate data field for each item of information specified in section 26(3) of the draft Instrument and ordered consistently with that section.

We acknowledge ASIC's objective of improving the accessibility and usability of RORIs, particularly in light of expanded access by journalists and academics. However, we are concerned that the proposed implementation approach risks undermining effective transparency, by increasing compliance cost and complexity in a way that discourages ongoing and market-wide participation in tracing activity.

Operational impact

Responses to tracing notices are not currently provided in any consistent or standardised format. In our experience, custodians and nominees respond using a wide variety of media and structures, including spreadsheets, PDFs, word documents, scanned attachments and free-form emails. Even where spreadsheets are used, field names, ordering and data structures commonly differ between respondents and may change from one response to the next.

Under the proposed framework, issuers would be required to repeatedly interpret, transform and normalise these disparate and heterogenous responses into a single prescribed delimited format comprising 14 distinct data fields with multiple sub-fields. This is a substantive departure from the existing regulatory position[1], reflected in prior guidance, that issuers are not required to analyse or re-format tracing notice responses when compiling a RORI.

The compliance burden created by the proposed framework will result in materially increased costs for issuers. The requirement to transform heterogeneous tracing notice responses into a prescribed, structured RORI format requires more extensive data processing, greater reliance on higher-skilled personnel to interpret and normalise responses and introduces a higher risk of error. These activities represent a significant expansion of the operational task associated with RORI preparation and ongoing maintenance. Importantly, these costs will be incurred each time tracing notices are issued, rather than being addressed once at the point of response, resulting in recurring and cumulative compliance costs over time.

These costs are not proportional to issuer size or market capitalisation. Smaller and mid-capitalisation issuers frequently have ownership structures that are as complex as those of larger issuers but lack the scale and financial capacity to absorb increased fixed and recurring compliance costs. As a result, the burden of the proposed framework is likely to fall disproportionately on these issuers.

Impact on market transparency

While Government's policy intent of the reforms is increased transparency of beneficial ownership, the proposed RORI framework creates a material risk of reduced effective transparency over time.

Transparency depends not only on the availability of data, but on the frequency, consistency and coverage of tracing activity across the market. If the cost and complexity of tracing increases materially, issuers are likely to respond by reducing the frequency, scope or depth of tracing exercises. In practice, this may include moving from monthly to quarterly tracing, limiting tracing to a narrower subset of holders or discontinuing periodic tracing completely outside major corporate events.

Such behavioural responses are likely to be most acute among smaller and mid-capitalisation issuers. Over time, this would result in uneven participation, patchy ownership data, and less timely and less comprehensive beneficial ownership information across the market. These outcomes would reduce, rather than enhance, effective transparency in Australian equity markets, contrary to the stated policy objectives of CP 387.

Suggested alternative approach

3.1 *Baseline implementation measures (applicable across all options)*

Regardless of the implementation approach ultimately adopted, MUFG Corporate Markets encourages ASIC to provide baseline implementation measures to support orderly transition to the new regime and avoid unintended reductions in tracing activity.

In particular, we encourage ASIC to consider:

- Phased or staged commencement of the prescribed RORI format, applying prospectively to tracing notice responses received after a specified commencement date, so that issuers are not required to retrospectively restructure large volumes of legacy data; and
- Transitional relief, allowing issuers to maintain the RORI in a partially structured or hybrid format for an initial implementation period, recognising the time required to build appropriate systems, processes and governance arrangements.

[1] Regulatory Guide 86 - Part 6C.2 — Tracing beneficial ownership of shares

These measures would support orderly implementation and reduce the risk that increased compliance costs lead to issuers reducing the frequency or scope of tracing activity.

3.1 *Option 1: Standardisation of tracing notices responses (preferred approach)*

MUFG Corporate Markets recognises that ASIC's current proposals focus on prescribing the format of the RORI itself and that ASIC may not consider it appropriate, or within power, to mandate the format in which tracing notice responses are provided by custodians and other intermediaries.

Notwithstanding this, mandating a standardised format for tracing notice responses would be ideal from a data-quality and integrity perspective, as information would be structured at the source by those best placed to interpret it. Custodians and intermediaries are responsible for maintaining the relevant account structures, custody chains and beneficial ownership records and are therefore best positioned to accurately classify and structure that information when responding to tracing notices. Structuring information at the point of creation would reduce the need for issuers to interpret, re-characterise or infer third-party data, lowering the risk of error and improving consistency across the market.

International experience also demonstrates the importance of system design in achieving transparency outcomes. For example, in the European Union, the Revised Shareholder Rights Directive (SRD II) and its implementing measures focus on standardisation at the level of intermediary responses to issuer identification requests, rather than placing the full burden of downstream data transformation on issuers. While the legislative frameworks differ, this illustrates that transparency objectives are most effectively achieved where data is structured as close as possible to its source, supporting timely, consistent and market-wide participation.

Importantly, many global custodians and intermediaries already maintain systems to support SRD II-compliant responses. Leveraging a similar approach in Australia would therefore align with existing global operating models and reduce downstream complexity, rather than requiring issuers to reconstruct information from unstructured responses.

3.2 *Option 2: Indexed raw-format RORI to enhance transparency and usability*

If ASIC does not consider it appropriate, or within its power, at this time to mandate standardised tracing notice response formats, an alternative approach would be to enhance transparency by improving the structure and usability of the existing RORI disclosure model, rather than requiring issuers to transform tracing responses into a fully normalised, field-level dataset.

Under this option, the RORI would continue to operate as a repository of traced beneficial ownership information in its raw or source-derived form, but would be supplemented by an improved mandatory, standardised index that enables users to identify, navigate and interpret disclosures more efficiently and consistently.

This approach would preserve the integrity of tracing notice responses as provided by custodians and intermediaries, while materially improving accessibility and transparency for downstream users, including journalists, academics and regulators, without imposing the significant data transformation burden contemplated by the proposed prescribed RORI format.

Indexed structure

Specifically, ASIC could require listed entities to maintain, as part of the RORI, a structured index that summarises and points to each discrete tracing disclosure, while the underlying disclosure itself is retained in raw response form.

The index could include the following prescribed data fields:

- Disclosure notice identifier – a unique identifier for each disclosure entry, enabling reliable reference, citation and cross-checking.
- Date of disclosure – being the date on which the tracing notice response was received.

- Member identifier – a unique identifier linking the disclosure to the relevant member on the listed entity's register of members (for example, based on name and address combination).
- Disclosable securities – the class or description of securities to which the disclosure relates.
- Number of disclosable securities – the number of securities the subject of the disclosure.
- File name or reference – identifying the underlying disclosure document or dataset forming part of the RORI.

The index would therefore function as a structured layer over unstructured or semi-structured disclosure material, enabling users to quickly locate, filter and compare relevant disclosures without requiring issuers to reinterpret or re-characterise third-party information. We would welcome the opportunity to engage further with ASIC on to develop or provide an example of how such an index could work.

Provision of raw disclosure material

Consistent with this approach, the RORI would be required to include, or be accompanied by, the raw tracing notice responses as received, rather than requiring issuers to decompose and restate that information across multiple prescribed data fields. This would ensure that:

- the information disclosed reflects exactly what was provided by respondents, reducing the risk of transcription or interpretation error;
- issuers are not required to infer, standardise or re-engineer ownership structures that they do not control; and
- users seeking deeper insights retain access to the full underlying disclosure, rather than a partial or potentially oversimplified representation.

Alignment with statutory RORI requirements

Under this model, the structured index performs a reference and navigation function, rather than a substitution function. Each index entry points directly to the underlying tracing notice response and records key metadata required to locate and understand the disclosure. For example:

- the member identifier links each disclosure to the relevant registered holder on the listed entity's register of members, ensuring that disclosures can be grouped and analysed by registered holding without duplicating name and address details within the RORI itself;
- details of the nature and extent of the relevant interest, circumstances giving rise to the interest, and any instructions given are preserved in the raw disclosure material, which remains part of the RORI and accessible to users; and
- the index enables users to determine which disclosures relate to which member, security class and quantity, without requiring issuers to restate or interpret complex custodial structures.

In this way, the indexed-raw approach ensures that all information required to be recorded under section 672DB(1)(a)–(e) is captured and accessible, while relying on ASIC's form-setting discretion under section 672DB(1)(f) to provide a more proportionate and accurate method of presentation.

Benefits of this approach

This option offers several advantages relative to the proposed fully prescribed RORI format:

- Improved transparency and usability: The indexed structure would significantly improve navigability and comprehension of RORI data, particularly for external users, without requiring full dataset normalisation.
- Reduced compliance burden: Issuers would not be required to repeatedly transform heterogeneous responses into a rigid field-level schema, materially lowering cost, complexity and error risk.

3.3 Option 3: Best-efforts compliance (interim approach)

If ASIC does not consider it appropriate to mandate standardised tracing notice response formats or to simplify the proposed RORI data requirements, we consider it critical that the Instrument and accompanying regulatory guidance clearly establish a best-efforts approach to compliance.

Under such an approach, issuers that make reasonable efforts to transpose tracing notice responses into the prescribed RORI format should be taken to have complied with the requirements, where information has been populated to the extent reasonably available. We understand from our recent meeting with ASIC in April 2026 that this reflects ASIC's intent.

Critically, this should be accompanied by clear guidance confirming that:

- issuers are not required to seek additional or repeated information from tracing notice respondents where information has not been provided; and
- issuers are not required to infer, reconstruct or speculate about ownership structures in order to populate prescribed data fields.

Providing this clarity would materially reduce compliance costs and legal uncertainty, avoid defensive over-compliance, and preserve the frequency and breadth of tracing activity across the market, while maintaining transparency in respect of information that is available.

Complementary to this approach, ASIC could also provide targeted relief from strict compliance with particular prescribed data fields where information cannot reasonably be obtained, despite reasonable steps having been taken. This would recognise the practical limits of issuer control over third-party data while preserving transparency where information is available.

We emphasise that this approach should be regarded as an interim mitigation rather than an end state. ASIC may therefore wish to consider whether, once the regime has bedded down, a future transition towards greater standardisation of tracing notice responses could be explored, including approaches similar to SRD II.

3.4 Privacy and materiality considerations

We note that the proposed RORI format, when combined with free access for journalists and academics, and the absence of a statutory proper purpose test, materially increases the ease with which personal information relating to small shareholdings, particularly retail investors, can be extracted and reused.

By contrast, access to a company's register of members is subject to a statutory proper purpose regime under s 173 of the *Corporations Act 2001 (Cth)*. That provision requires an applicant to state the purpose for which the information is sought and prohibits use of the information for prescribed improper purposes, including unsolicited contact and other forms of misuse[2]. No equivalent safeguard applies to access to the RORI.

We recognise that the Parliamentary Committee that considered the enhanced beneficial ownership reforms prioritised transparency and did not support the application of a proper purpose test to access the RORI. MUFG Corporate Markets does not seek to revisit that policy conclusion. However, the Committee's consideration necessarily occurred in advance of the final implementation design of the RORI, including the proposal to require a highly granular, machine-readable, field-level register capable of large-scale aggregation and automated reuse. The privacy and misuse risks associated with that form of implementation arise primarily at **the design and operational stage**, once the structure and accessibility of the register are specified.

In this context, ASIC may wish to consider whether proportionality mechanisms, such as materiality thresholds (for example, excluding holdings below one percent (1%), where those holdings are unlikely to be relevant to issues of control, influence or market integrity), graduated disclosure of certain sensitive fields or other design features, could

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[2] See Reg 2c.1.03 *Corporations Regulations (Cth)*.

promote safe and sustainable transparency, while ensuring that information relevant to issues of control or influence remains available.

Recent regulatory and policy developments underscore the appropriateness of such an approach, including ASIC's decision to remove residential and service addresses from public company searches in response to documented safety, privacy and misuse concerns. That precedent demonstrates that address information is properly regarded as high-risk personal information and may be excluded from public registers where the transparency benefit is marginal and the privacy risk is material, consistent with a proportionate approach to register design. We note that the amendments to Part 6C.2 expressly confer on ASIC the power, by legislative instrument, to determine the form of the RORI, and to specify information that must, or must not, be included in the register. In particular, new s 672DA (obligation to keep a register in the prescribed manner) and s 672DB (content requirements for the register) contemplate ASIC prescribing circumstances in which information is not required to be recorded, or classes of information that are excluded from the RORI.[3]

These provisions appear intended to provide ASIC with implementation-stage flexibility, including to address issues of proportionality, privacy risk and market impact, while preserving the core objective of transparency.

In our view, the availability of such flexibility enables ASIC to calibrate how transparency objectives are delivered in practice.

Absent a proper-purpose restriction analogous to that applying to access to a company's Register of Members, we consider it particularly important that ASIC utilise the discretion afforded by ss 672DA and 672DB to ensure the regime operates in a proportionate and appropriately balanced manner, consistent with the objective of sustained and effective transparency.

4. CONCLUSION

MUFG Corporate Markets appreciates the opportunity to contribute to this consultation and the objective of enhanced transparency of beneficial ownership. We are concerned, however, that the proposed RORI implementation framework risks increasing compliance costs for issuers, discouraging tracing activity and reducing effective transparency across the market, particularly among small and mid-capitalisation issuers.

We are keen to engage further with ASIC on practical implementation options that achieve the policy objectives of CP 387 while avoiding unintended operational and market impacts. We would welcome continued engagement with ASIC on the design and implementation of the RORI framework and would be pleased to meet to discuss the matters raised in this submission.

To arrange a meeting, please contact [redacted] – General Manager, Government Affairs & Group Governance at [redacted].

Yours sincerely

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[redacted]
Managing Director, MUFG Corporate Markets ANZ

[3] *Corporations Act 2001 (Cth)* ss 672DA, 672DB, as amended by the *Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025*.