



ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 181

AFS licensing: Managing conflicts of interest

July 2025

About this guide

This guide is for Australian financial services (AFS) licensees, their representatives and AFS licence applicants.

It explains the legal obligations under the *Corporations Act 2001* for having adequate arrangements to manage conflicts of interest. It includes guidance on identifying conflicts, what adequate arrangements involve, and effective conflicts management through a range of tools.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This draft guide was issued in July 2025 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 181, issued August 2004.

Disclaimer

This guide 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.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

This guide sets out how you should comply with the Australian financial services (AFS) licence obligation to have adequate arrangements in place to manage conflicts of interest.

- RG 181.1 If you are an AFS licensee or applicant, you must comply with your licensing obligation to manage conflicts of interest.
- RG 181.2 This guide explains:
- (a) how the law applies, including its scope and interaction with other related obligations (Section B);
 - (b) the types of conflicts you may need to consider (Section C);
 - (c) what constitutes ‘adequate arrangements’ to manage conflicts—supported by specific steps to *identify*, *assess*, and *respond* to conflicts, and *implement* your arrangements (Section D); and
 - (d) what effective conflicts management involves—that is, avoiding, controlling, and disclosing conflicts (Section E).
- RG 181.3 This guide also sets out that you should take a proportionate and risk-based approach to your conflicts management obligation, tailored to your facts and circumstances.
- RG 181.4 Further guidance is available in the appendix to this guide. It provides a roadmap of key legal obligations and information relevant to your compliance with the conflicts management obligation.

B Your conflicts management obligation

Key points

If you are an AFS licensee or applicant, you must have in place adequate arrangements to manage conflicts of interest.

This obligation is broad. Other relevant financial service laws inform how you should comply with your conflicts management obligation.

Your obligation

RG 181.5 If you are an AFS licensee, or an AFS licence applicant, you must comply with your general licensing obligations under s912A of the *Corporations Act 2001* (Corporations Act).

Note: In this guide, references to sections (s), chapters (Ch), divisions (Div), and parts (Pt) are to the Corporations Act, unless otherwise specified.

RG 181.6 This includes your obligation to have in place adequate arrangements for managing conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by you or your representative in the provision of financial services as part of your financial services business ('the conflicts management obligation'): see s912A(1)(aa).

Purpose of the obligation

RG 181.7 Managing conflicts of interest is a central pillar of financial regulation.

RG 181.8 It is intended to address information asymmetry and ensure financial markets and services are fair, efficient, and honest. It promotes both consumer protection and market integrity—preventing misconduct and reducing harm to consumers or investors. It can also improve economic efficiency.

Note: For the objectives of the financial services regime (including for the general licensing obligations), see s760A.

RG 181.9 It is also beneficial to you—it improves the quality and integrity of your financial services business.

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Scope of the obligation

- RG 181.10 The conflicts management obligation is broad and is intended to apply widely—it is not limited in its application. It applies to *all* conflicts of interest other than those wholly outside the financial services business of you or your representative.
- RG 181.11 It applies to conflicts of interest that arise within the financial services business. It also applies to conflicts that arise between something within the financial services business and something outside it. For example:
- (a) a conflict between the financial services business and corporate lending business within a conglomerate firm; or
 - (b) a conflict between the financial services business and an employee's personal or financial interest outside it.
- RG 181.12 It does not include conflicts that are unrelated to the financial services business.

Note: See the Explanatory Memorandum to Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Bill 2003 ([Explanatory Memorandum](#)) at paragraphs 5.596–5.597 and 5.599.

Other legal obligations

General licensing obligations

- RG 181.13 The conflicts management obligation works together with and supplements the general licensing obligation to act efficiently, honestly and fairly.
- RG 181.14 The general licensing obligations—including your compliance with financial services laws and establishing and maintaining adequate risk management systems—inform how the conflicts management obligation must be complied with.

Other legal requirements

- RG 181.15 Other laws may apply to you that relate to conflicts of interest or conduct potentially affected by conflicts. You must take these laws into account when complying with your conflicts management obligation.
- RG 181.16 How you incorporate other relevant legal obligations informs the adequacy of your arrangements: see RG 181.50–RG 181.51 and the appendix.

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- RG 181.17 The appendix provides a roadmap of key legal obligations and information you may need to consider when complying with your conflicts management obligation. For example:
- (a) If you are a director of a financial services business, you must comply with your directors' duties, including your obligation to disclose material personal interests when conflict arises.
 - (b) If you are a market participant, you must comply with the market integrity rules, including those related to managing conflicts.
- RG 181.18 The roadmap is not an exhaustive list. You must consider other legal requirements, including in common law and equity, that may apply to you. This includes any relevant conduct prohibitions that may be affected by conflicts, such as misleading and deceptive conduct, unconscionable conduct, or insider trading and market misconduct.
- RG 181.19 You may also need to consider legal requirements outside the Corporations Act or prudential standards that may be relevant to you, such as privacy obligations.

Fiduciary duty

- RG 181.20 You or your representatives may owe a fiduciary duty to your clients, members, or other parties.
- RG 181.21 A fiduciary duty can arise under common law in certain recognised relationships of trust and confidence. If a fiduciary duty exists, you may be required to act in the other party's best interests, prioritise their interests, not profit without consent, or address any conflicts.
- RG 181.22 You must take this duty into account when complying with your conflicts management obligation.

Industry standards

- RG 181.23 We may consider your compliance with industry standards or practices in assessing your compliance with the conflicts management obligation. Specifically, we will take industry standards into account if the law or your AFS licence conditions require you to comply with a particular standard.

International obligations

- RG 181.24 You may be subject to international obligations or standards on conflicts management. While we check compliance with the Australian conflicts management obligations and AFS licence conditions, we may also consider how your international obligations inform your compliance.

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Complying with your obligation

- RG 181.25 If we have reason to believe you are not complying with your conflicts management obligation, we may take administrative action. This could include suspending or cancelling your AFS licence or imposing additional licence conditions: see ss915C(1) and 914A(1).

Note: If you have reasonable grounds to believe that you have failed to comply with your conflicts management obligation, you may be required to report this breach to us: see Regulatory Guide 78 *Breach reporting by AFS licensees and credit licensees* ([RG 78](#)).

- RG 181.26 Depending on the severity, a breach of your conflicts management obligation may result in civil penalties:

- (a) for individuals, the greater of:
 - (i) 5,000 penalty units; or
 - (ii) if the court can determine—three times the benefit derived from (or detriment avoided) by the contravention; and
- (b) for corporations, the greater of:
 - (i) 50,000 penalty units;
 - (ii) if the court can determine—three times the benefit derived from (or detriment avoided by) the contravention; or
 - (iii) 10% of annual turnover, up to a maximum value of 2.5 million penalty units: see s912A(5A) and s1317G.

Note: For more information about penalties, including the value of a penalty unit, see [Fines and penalties](#) on the ASIC website.

- RG 181.27 We will consider the materiality or seriousness of any conflict of interest that occurs or may occur or systemic failures, when assessing your compliance with the conflicts management obligation.

Note: For further information about our approach to enforcement generally, see Information Sheet 151 *ASIC's approach to enforcement* ([INFO 151](#)).

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C Identifying conflicts of interest

Key points

You should identify all relevant conflicts, including those arising from confidential information or business structures.

Conflicts of interest include actual, apparent, and potential conflicts.

To assist you in identifying conflicts, we have set out different types and illustrative examples of conflicts to consider.

What is a conflict of interest?

- RG 181.28 A conflict of interest can arise where there are competing financial interests, personal interests, business or related party interests—whether direct or indirect—or competing loyalties and obligations. In some circumstances, a combination of these may give rise to a conflict.
- RG 181.29 This guide deals with the conflicts management obligation. It is generally concerned with those conflicts for which there is a real and sensible possibility that the conflict could sway your judgment or actions—or those of your employees, directors or representatives—in an adverse way.
- RG 181.30 You should take a ‘common-sense’ approach to determining if there is a conflict of interest. Whether there is a conflict of interest will ultimately turn on the facts and circumstances of a situation.
- RG 181.31 Conflicts of interest can be actual (real), perceived (apparent), or potential.
- RG 181.32 A conflict of interest can include:
- (a) conflicts of, or within, the financial services business (including conflicts arising from its corporate structure and relationships);
 - (b) the conflicts of any individual—for example, clients (retail or wholesale), members, shareholders, employees, directors, third parties—that arise in relation to the financial services business; and
 - (c) the conflicts of any entity—for example, wholesale clients, counterparties, related entities in intra-group structures, commercial third parties—that arise in relation to the financial services business.
- RG 181.33 In addition, the following factors may be relevant to the materiality or seriousness of a conflict of interest:
- (a) the nature of relationship between parties in a conflict—conflicts can occur across a range of business and interpersonal relationships;

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- (b) the scale of a conflict—conflicts cover situations ranging from those that result in a minor ethical breach to those that result in significant harm to affected parties, misconduct, or corruption; and
- (c) the outcome of a conflict—conflicts can compromise your independence, objectivity or impartiality required in your circumstances.

Types of conflicts

RG 181.34 When applying the conflicts management obligation, you should consider all conflicts that may be relevant to your financial services business. Illustrative examples of different types of conflicts across financial services are outlined in Table 1, which is not an exhaustive list.

Table 1: Illustrative examples of conflicts

Type of conflict	Illustrative example
Conflicts with clients or members	<ul style="list-style-type: none"> A private capital advisory (advising and dealing in a class of shares) not disclosing to a client its economic relationships with other investors in an equity deal An insurance broker who receives commissions from product issuers recommending products with higher commissions to a client, resulting in the client receiving similar cover but at a higher price A fund charging excessive or unnecessary fees to members, not in their best financial interests An adviser encouraging clients to invest in inappropriate financial products from a related entity, then hedging against a client's interests and directly seeking to generate revenue from expected client losses A broker excessively buying and selling securities in a client's account to generate commissions and obtain remuneration incentives inconsistent with the client's objectives A fund charging fees to borrowers (such as loan origination or default fees) that are retained by the fund manager, rather than for the benefit of the fund
Conflicts between clients, members, or classes of persons	<ul style="list-style-type: none"> A fund providing preferential information and treatment to some investors over others A conglomerate firm using information obtained from one client to benefit another client A market maker (acting as both a buyer and seller in a market) providing preferential treatment to certain clients, such as offering better pricing or execution priority A corporate advisory advising and dealing in a 'take-private' equity deal, providing certain classes of persons (e.g. directors and management) with confidential information and preferential treatment over other shareholders or potential bidders

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Type of conflict	Illustrative example
Structural conflicts	<ul style="list-style-type: none"> A corporate advisory client's confidential information (from the sell-side of the business) being passed on to benefit clients in the buy-side of the business A conglomerate firm underwriting a public offer of an entity, while a different business unit is lending (as principal) to the entity A financial institution providing a mortgage to a consumer, and encouraging the consumer to get home insurance from a related entity at a premium price that is not in the consumer's interests A superannuation trustee or responsible entity owning a financial advice business that recommends owners' products to members Different business units in the same multi-disciplinary firm providing audit and financial services to the same client, compromising an auditor's objectivity and independence—for example, a firm's sell-side business publishing research in a client newsletter that is being compromised by information from the market-making side of the business.
Proprietary conflicts	<ul style="list-style-type: none"> A financial institution having a conflict between its proprietary interests and the interests of its clients and counterparties in a market transaction A financial institution hedging risks or obtaining a beneficial price in proprietary trading by using confidential information accessed at a client's issuance, to the client's detriment A market maker prioritising its interests over clients by using confidential information from client orders to benefit its proprietary trading—that is, by front-running a client order to take advantage of the anticipated price impact of the order A fund lending to a related company on better terms than if the fund were lending to an unrelated company or investor in similar circumstances, not in the interests of investors
Conflicts relating to duties	<ul style="list-style-type: none"> A director's affiliations with an outside organisation influencing decisions that the director makes about the financial services business, to the detriment of members An auditor's long association with a financial services business client impairing the auditor's objectivity and independence, leading to a conflict of interest A director's duties to a financial services business being compromised by and conflicting with the duties they hold as a director of another intra-group company A financial market operator's neutrality being impaired if the entity also has an advisory arm and a broking arm, and its fiduciary duties towards a client compromising the market's obligation to operate a fair, orderly and transparent market
Third-party conflicts	<ul style="list-style-type: none"> A third party used to outsource aspects of the financial services business (e.g. its responsible manager or compliance functions) having an economic relationship with another financial services business, interfering with a third party's ability to perform its outsourced role A fund relying on a third-party valuation of an unlisted asset, where the third-party valuation is conflicted due to an economic relationship with the issuer of the unlisted asset An expert's independence being compromised by material financial interests when providing an expert report on underlying assets commissioned by a corporate advisory for securities holders in a share buy-back A sub-contractor of a market being conflicted by economic relationships with other market participants A comparison website having commercial relationships with product issuers, resulting in the website prioritising and recommending products to consumers from issuers that provide it with the most commissions, benefits, or advertising revenue, rather than products in the consumers' interests

Type of conflict	Illustrative example
Individual conflicts	<ul style="list-style-type: none"> • A trader accessing confidential information about a client to pass on to the trader's spouse who works for the client • An adviser recommending a client invest in a company the adviser holds significant shares in • An adviser recommending a retail client invest in property as part of the client's financial advice strategy, where the adviser receives a commission from a property developer for the referral • An employee of a superannuation fund revealing information about members to an affiliated third-party organisation the employee is aligned with • A research analyst's report provided to clients being influenced and compromised by the analyst's personal interests • A director or executive of a fund using confidential information about fund transaction activity—such as price-sensitive information, confidential valuations of unlisted assets, or when investment strategies are switched—for personal gain

Specific considerations when identifying conflicts

RG 181.35 You should consider the following factors when identifying the types of conflicts that may arise.

Confidentiality

RG 181.36 Receiving confidential information may give rise to a conflict of interest. This may be confidential information received in the ordinary course of business, information that is price-sensitive, or material non-public information ('insider information').

RG 181.37 You or your staff should not misuse confidential information in a way that may benefit yourself, another part of your business, another client or counterparty, or generally affect market integrity.

Conflict of duties

RG 181.38 A conflict of duties will generally give rise to a conflict of interest. This may include directors' duties, fiduciary or common law duties, or duties of a particular role, such as a responsible manager or auditor.

RG 181.39 Conflicts between duties, or a conflict between a duty and an interest should also be considered. For example, there may be:

- (a) a conflict between a fiduciary duty to one client and a fiduciary duty to another client;
- (b) a conflict between a director's duties in a financial services business and their duties to another company; or
- (c) a conflict between a director's duties in a financial services business and their personal interests.

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- RG 181.40 A conflict of duties may also relate to:
- (a) an individual's professional, legal, or other duties and interests; or
 - (b) the statutory obligations and duties of an entity.

Structural conflicts

- RG 181.41 Misaligned incentives resulting from business structures may give rise to conflicts of interest. This may be the result of:
- (a) vertical integration of product issuers, product manufacturers, product sales or advisory roles;
 - (b) the influence of related entities; or
 - (c) misaligned incentives between business units or intra-group structures in a conglomerate firm or financial institution.

Third-party commercial relationships

- RG 181.42 Third-party commercial relationships of your financial services business may also raise conflict issues. This includes any conflicts you may have in relation to a third party or conflicts a third party may have that impacts your financial services business.
- RG 181.43 Third-party commercial relationships may include outsourced functions of your financial services business, relationships with product issuers or advisers, or those engaged to undertake specific activities—such as auditors, lawyers, valuers, consultants, or experts.

Remuneration

- RG 181.44 Remuneration practices, including non-monetary benefits, may cause misaligned incentives and result in a conflict of interest. This includes commissions, volume-based remuneration, staff rewards and bonuses, or expenses. Harms to consumers that may result include:
- (a) being sold financial products or services that are not in their interests due to the commissions or financial benefits you can earn; or
 - (b) being charged unnecessary fees or excessive expenses.

D Having adequate arrangements

Key points

Arrangements for managing conflicts of interest should be robust, effective, and tailored to your circumstances. You should take a proportionate and risk-based approach.

In practice, you should clearly *identify*, *assess*, and *respond* to conflicts. You should also *implement*, monitor, maintain, and review your arrangements.

Table 2 outlines arrangements you should generally have in place to manage conflicts.

What are adequate arrangements?

RG 181.45 You must have adequate arrangements to manage conflicts of interest. Your arrangements should be robust and effective.

Note: See the [Explanatory Memorandum](#) at paragraph 5.597.

RG 181.46 Your arrangements may include:

- (a) policies, processes and procedures;
- (b) people and resources;
- (c) systems and controls over the business and staff; and
- (d) governance and supervisory arrangements.

RG 181.47 Your arrangements should be tailored with your own circumstances in mind and designed to meet your obligations.

Taking a proportionate approach

RG 181.48 You should take a proportionate and risk-based approach to your conflicts management obligation based on:

- (a) your legal and compliance requirements—including other related laws and obligations (see the appendix);
- (b) the risks posed by a conflict of interest or class of conflicts—including:
 - (i) the materiality or seriousness of a conflict; and
 - (ii) any misconduct or harm (such as consumer, investor, or economic harm) or impact to market integrity that may result; and
- (c) the nature, scale and complexity of your business.

- RG 181.49 How you address these factors informs the adequacy of your arrangements. Whether your arrangements are adequate to effectively manage conflicts is a question of fact in each case.

Other legal requirements

- RG 181.50 Depending on other legal obligations that apply—such as your fiduciary duties, best-interest obligations, or prudential requirements—you may need to prioritise the interests of members or clients (retail or wholesale) in a conflict or have different or more robust arrangements in place. Some conflicts may also be prohibited.
- RG 181.51 You must also ensure that a conflict does not result in prohibited conduct.

Risks posed by a conflict

- RG 181.52 Conflicts of interest can be a significant driver of consumer, investor, and economic harm and can also impact market integrity. The risks posed by a conflict may not be realised unless acted on or may change over time.
- RG 181.53 Your arrangements—including how you effectively manage conflicts—should be tailored to the risks posed by a conflict or a class of conflicts, including the risks to you, other affected parties, or market integrity.

Nature, scale and complexity of the business

- RG 181.54 Your arrangements will differ based on the complexity of your business and should be designed and tailored to your circumstances. For example, a conglomerate firm will have substantially different arrangements to a small business or sole trader. The type of financial services you offer will also influence the nature and scale of your arrangements.

What should your arrangements include?

- RG 181.55 You should have in place arrangements to *identify* and *assess* a conflict or class of conflicts, and to *respond* to a conflict—that is, effectively manage the conflict: see Section E.
- RG 181.56 You should also *implement*, *monitor*, *maintain* and *review* your arrangements for them to be adequate.
- RG 181.57 Your arrangements should generally include, but are not limited to, the steps set out in Table 2.

Note: See *Australian Securities and Investments Commission v Avestra Asset Management Limited (In Liquidation)* (2017) 348 ALR 525 (*ASIC v Avestra*), as affirmed by the Federal Court in *Australian Securities and Investments Commission v Westpac Banking Corporation (No 2)* (2018) 357 ALR 240.

Table 2: Adequate arrangements to manage conflicts

Steps	Arrangements
1. Identify	<p>Your arrangements should assist you to identify when a conflict of interest or class of conflicts may or does occur.</p> <p>This does not mean you need to identify every conflict of interest that may or does occur. However, you should have in place arrangements to:</p> <ul style="list-style-type: none"> • identify relevant conflicts based on the general risk and materiality posed by a conflict or class of conflicts; and • obtain further or specific information on a conflict, if appropriate. <p>The information you need to identify a conflict may depend on:</p> <ul style="list-style-type: none"> • the role, type, or class of employee, client, or another party; or • the risks posed by a conflict of interest or class of conflicts.
2. Assess	<p>Your arrangements should enable you to assess and evaluate a conflict of interest or class of conflicts to effectively manage it. This includes considering the materiality of a conflict.</p> <p>This may include undertaking a risk assessment of a conflict of interest or class of conflicts and evaluating what an appropriate response would be.</p>
3. Respond	<p>You should decide on and apply an appropriate response to <i>effectively manage a conflict of interest</i>. For guidance on effective conflicts management, see Section E.</p> <p>Responding to a conflict also includes having arrangements to evaluate and monitor the effectiveness of your specific response and rectifying or providing remedial action if the response is not effective. For example:</p> <ul style="list-style-type: none"> • regular checks to ensure your response remains effective and that you are managing the conflict properly over time; • adjusting controls if the conflict changes in scope or impact; or • verifying disclosure continues to meet the needs of affected parties.
4. Implement	<p>You should implement, monitor, maintain and review your arrangements to ensure they remain robust and effective. This includes ensuring:</p> <ul style="list-style-type: none"> • your arrangements are approved and endorsed by your senior management and, if appropriate, your board; • staff and relevant parties are appropriately trained to thoroughly understand the arrangements and can apply them to a range of conflicts; • you have systems in place and people with the authority to follow and apply the arrangements to a conflict of interest (i.e. compliance monitoring) and take appropriate action when required; • you have a person or persons accountable for complying with your arrangements; • arrangements include disciplinary measures for non-compliance, if appropriate; • your arrangements are appropriately documented and stored; and • your arrangements are regularly reviewed (e.g. internally or by a third party, such as an auditor) and updated as necessary. <p>Merely having or possessing conflicts management arrangements is insufficient.</p>

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Documents and record keeping

- RG 181.58 You should document and keep records of your arrangements for them to be adequate and to demonstrate your compliance, including:
- (a) document identified conflicts and the actions taken (e.g. a conflicts register or multiple registers);
 - (b) keeping records of reports made to your senior management or third parties about conflict matters; and
 - (c) storing copies or records of any written disclosures given to affected parties—whether individually, as a representative sample, or as a record of oral disclosures—including any scripts used.

E Effective conflicts management

Key points

To effectively manage conflicts, you should use a combination of avoiding, controlling, and disclosing conflicts of interest.

These measures should be tailored to your specific circumstances, as mere disclosure is unlikely to be sufficient.

- RG 181.59 Effective conflicts management will generally involve a combination of avoiding, controlling, and disclosing conflicts of interest. This informs the adequacy of your arrangements.

Note: See *ASIC v Avestra*.

- RG 181.60 Conflicts management requires a proactive and strategic approach that goes beyond mere disclosure. How you use avoidance, controls, and disclosure to manage conflicts should be tailored to the specific facts and circumstances. This includes addressing risks associated with a conflict of interest.

- RG 181.61 A failure to effectively manage a conflict may result in a breach of your conflicts management obligation.

Note: For example, see *Australian Securities and Investments Commission v Westpac Banking Corporation (Penalty Hearing)* [2024] FCA 52.

Avoiding conflicts of interest

- RG 181.62 Avoiding conflicts of interest may be the most effective conflicts management tool for your circumstances. Avoiding a conflict may involve proactively preventing conflicts from occurring or eliminating a conflict.

- RG 181.63 Examples where you should avoid a conflict of interest include:

- (a) when one client will be favoured over another in the provision of your financial services; or
- (b) when there is a significant conflict between your own interests and those of your clients.

- RG 181.64 Preventive measures you can consider as part of your arrangements to avoid certain conflicts or classes of conflicts from occurring include:

- (a) having information barriers in place, such as between certain business units where conflicts are likely to emerge;

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- (b) prohibiting certain activities, such as prohibiting certain types of remuneration or not providing specific services to certain types of clients; or
- (c) regularly reviewing internal structures.

RG 181.65 You can also eliminate the risks arising from a conflict, for example, by:

- (a) removing a conflicted person from a transaction;
- (b) declining to service a client, or only servicing them under limited circumstances; or
- (c) refusing to enter a particular transaction.

Controlling conflicts of interest

RG 181.66 Effective conflicts management does not require you to eliminate every conflict, although that approach is open to you. You can put in place controls to mitigate the risks associated with a conflict of interest. What is appropriate will depend on the facts and circumstances.

RG 181.67 When controlling conflicts of interest, you should ensure that decision-makers are not overly influenced by any conflicts.

RG 181.68 Examples of controls that may be used to manage the risks associated with a conflict of interest are listed in Table 3. It is not an exhaustive list.

Table 3: Examples of conflict control mechanisms

Type of control	Summary
Information barriers	Robust information barriers (physical and electronic) to prevent or restrict information (including data) from being transferred or accessed
Functional separation	Separation of relevant business units or teams to minimise the risks of a conflict, including physical segregation
Communication policies	Policies on what certain staff or business units can communicate, including what should not be communicated, and how and when communication occurs
Approval requirements	Additional or separate approvals or signoffs for certain transactions or the provision of financial services where there is a conflict
Trading restrictions	Trading restrictions (including 'blackout' periods) may be required to limit the risks of a conflict—for example, if a person is working on an initial public offering or market transaction, or holds certain financial products
Rotation of staff	Removal or rotation of staff to ensure objectivity or impartiality in activities
Arm's length engagement	Engaging third-party service providers to deliver services such as administration, asset valuation, marketing and distribution at arm's length to ensure impartiality and objectivity

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Type of control	Summary
Decision-making restrictions	Restrictions on conflicted parties or relevant staff, limiting their decision-making on a particular transaction or the provision of certain financial services
Compliance monitoring	Mechanisms for compliance monitoring. For example, control rooms, compliance officers, or leveraging design and distribution review mechanisms
Governance and transparency	Appropriate governance structures to monitor a conflict and ensure transparency, with clear escalation channels and whistleblowing policies
Disciplinary measures	Disciplinary measures to minimise the likelihood of a conflict being acted on or mitigate any risks associated with a conflict

Disclosing conflicts of interest

- RG 181.69 Disclosure to clients or other affected parties is a mechanism that can be used to manage conflicts of interest.
- RG 181.70 It should allow affected parties to understand and consider the impact of a disclosed conflict before making an informed decision. For example, disclosure of a conflict may allow an investor to consider the impact of the conflict before making an investment decision.
- RG 181.71 However, mere disclosure is unlikely to be sufficient to effectively manage conflicts. It may be more appropriate to control or avoid the conflict altogether or to consider a combination of these mechanisms.
- RG 181.72 If, and how, you disclose a conflict will depend on the facts and circumstances. This may include the risks posed by a conflict, the nature of the financial service, or who the affected party is (e.g. retail or wholesale client).
- RG 181.73 You should only disclose material conflicts. You should not use excessive or unnecessary disclosure that could obscure or distract from an issue.
- RG 181.74 You should ensure your disclosure is consistent with any other legal requirements, including Part 7.7 of the Corporations Act. Your conflicts disclosure may be incorporated with, or in addition to, your other disclosure requirements.
- RG 181.75 Table 4 provides principles you should generally apply when using disclosure to effectively manage conflicts.

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Table 4: Disclosing a conflict of interest

Principles	Summary
General disclosure principles	<p>Disclosure should be <i>timely, prominent, specific, and meaningful</i>.</p> <p>Giving generic or 'boilerplate' disclosure is unlikely to effectively manage a conflict. Instead, disclosures should:</p> <ul style="list-style-type: none"> • occur before or during the provision of the financial service, allowing time for the affected party to assess its impact before committing; • be clear, targeted and useful to the affected party; • enable affected parties to make decisions based on the information received or give consent to proceed, if appropriate; and • refer specifically to the financial service related to the conflict.
Disclosure content	<p>You should generally disclose:</p> <ul style="list-style-type: none"> • the nature and relevant details of the conflict; • the likelihood of the conflict occurring; • the potential consequences if the conflict does occur, including advantages or disadvantages to you, other participants or beneficiaries, or the affected party; and • realistic and actionable steps (if any) to mitigate the risks of the conflict.
Methods of disclosure	<p>Disclosure should be:</p> <ul style="list-style-type: none"> • written or oral; and • presented in a way that is easily noticeable by affected parties.
Inappropriate disclosure	<p>In some cases, disclosing a conflict may be inappropriate, such as when:</p> <ul style="list-style-type: none"> • the information to be disclosed is commercially sensitive or protected by a confidentiality agreement; • it is in breach of privacy obligations; or • the disclosure amounts to 'inside information' under the insider trading provisions: see Pt 7.10, Div 3.
Disclosure for financial product advice	<p>When providing financial product advice to wholesale or retail clients, you should disclose any:</p> <ul style="list-style-type: none"> • legal or beneficial interest in the financial products; • relationships with the issuer or provider of the products; and • financial or other benefits linked to the advice being followed. <p>Note: You must consider how any disclosure interacts with your other relevant legal obligations, including specific disclosure requirements for retail clients: see the appendix.</p>
Disclosure for retail and wholesale clients	<p>You should ensure that retail and wholesale clients can understand the nature and potential impact of the conflict. However, disclosures for wholesale clients may be less detailed than for retail clients.</p> <p>When disclosing to a client, you should consider:</p> <ul style="list-style-type: none"> • their level of financial sophistication; • if a third party will or is likely to rely on this information, including if the information will be passed on to or impact retail clients; • how much a client already knows; and • the complexity of the financial service.

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Specific considerations for managing conflicts

Internal structures

- RG 181.76 Your internal structures and reporting lines should support effective conflicts management.
- RG 181.77 You should consider how your organisation's structure, layout, and reporting processes can contribute to the incidences of certain conflicts occurring if not managed. For example, you can assess whether it is appropriate for:
- (a) advisory staff to report to marketing staff;
 - (b) standalone advice units to be in the same physical location as sales or investment staff; or
 - (c) compliance or internal audit staff to report to a business unit.

Remuneration

- RG 181.78 You should ensure your remuneration practices—including any non-monetary benefits—are fair, efficient and comply with your conflicts management obligation. For example, you should:
- (a) disclose commissions that are based on sales; and
 - (b) avoid remuneration structures that rely solely on commission-based pay (i.e. when no salary or other remuneration is paid).

- RG 181.79 Some types of conflicted remuneration and benefits are banned. However, some benefits that are not banned may still create conflicts of interest.

Note: The Corporations Act bans certain conflicted remuneration and other benefits from being given to persons who provide financial product advice and other financial services to clients: see Divs 4 and 5 of Pt 7.7A.

- RG 181.80 Disclosure can help to manage conflicts, but remuneration practices that create significant conflicts—particularly if they place your interests in direct conflict with clients or members—should be avoided, and not merely disclosed or controlled.
- RG 181.81 You should avoid remuneration practices that are purely intended to maximise fees or returns at the expense of clients or members.
- RG 181.82 Volume-based remuneration is typically conflicted as it creates incentives to maximise sales at the expense of a client's interests, but exceptions exist. You should ensure that any benefits align with the conflicts management obligation and any other relevant legal obligation (e.g. best interest duties).

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Fair treatment of clients and members

- RG 181.83 For effective conflicts management, you should ensure that clients and members are treated fairly. This does not prevent you from ‘market making’—that is, making a profit or expecting a return (e.g. fees) in exchange for providing products and services. However, you should be fair in your dealings.
- RG 181.84 You should generally avoid placing yourself in a position where there is a material conflict between your own interests and your clients’. This is to minimise the risk that you may unfairly prefer your own interests.
- RG 181.85 Where required, you must prioritise the interests of your client or member.

Market integrity principles

- RG 181.86 To effectively manage a conflict, you should ensure the impact of a conflict on market integrity is minimised—that is, it promotes fair, orderly and transparent markets for financial products: see s760A.

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Appendix: Roadmap—Key legal obligations and information relevant to conflicts management

RG 181.87 This appendix outlines some key legal obligations and information relevant to conflicts management that may apply to you as an AFS licensee, representative, or AFS licence applicant.

What is the purpose of this roadmap?

RG 181.88 This roadmap is intended to signpost key obligations and information to assist AFS licensees to comply with the conflicts management obligation under the Corporations Act. It emphasises that conflicts can arise across a wide range of activities. This roadmap does not introduce new obligations or guidance.

How to use this roadmap

RG 181.89 Whether the obligations apply to you depends on the facts and circumstances of your situation. Where relevant, you must take these obligations into account when complying with your conflicts management obligation. This informs the adequacy of your arrangements.

RG 181.90 The roadmap is not an exhaustive list of legal obligations and information that may relate to the conflicts management, other legal obligations, and separate information relevant to your circumstances. This roadmap avoids legal language where possible and may include some generalisations about the application of the law. Some provisions have exceptions or important qualifications that are not included.

RG 181.91 The following summary information is included in this roadmap:

- (a) *Key obligation*: A description of required disclosures by AFS industry category.
- (b) *Source*: Where to find the obligation in legislation.
- (c) *Guidance and further information*: Links to relevant guidance published by regulators or other relevant documents.

Important information about the roadmap

RG 181.92 This roadmap does not generally cover obligations in legislation not administered by ASIC—that is, you may have obligations relating to conflicts in other legislation that ASIC does not administer.

RG 181.93 This roadmap does not constitute legal advice. We encourage you to seek your own professional advice to find out how the relevant laws apply to you, as it is your responsibility to determine your obligations.

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Roadmap: Key obligations for AFS licensees

Table 5: General AFS licensee requirements

Key obligation	Source	Guidance and further information
<p>General licensing obligations</p> <p>You must comply with your general licence obligations under s912A, which informs how you approach your conflicts management obligation.</p> <p>When applying for an AFS licence, you must provide information on your arrangements to comply with your general licensing obligations, including the conflicts management obligation.</p>	<p>Corporations Act</p> <p>Section 912A, including:</p> <ul style="list-style-type: none"> • section 912A(1)(a) (efficiently, honestly and fairly) • section 912A(1)(aa) (conflicts management obligation) • section 912A(1)(c) and (ca) (compliance with financial services laws) • section 912A(1)(h) (adequate risk management systems) • regulation 7.6.03(g) (obligation to have adequate compliance arrangements) 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> • RG 1 <i>Applying for and varying an AFS licence</i> • RG 166 <i>AFS licensing: Financial requirements</i> • RG 265 <i>Guidance on ASIC market integrity rules for participants of securities markets</i>

Table 6: Financial products and services

Key obligation	Source	Guidance and further information
<p>Retail client disclosure</p> <p>There are specific content requirements for a Financial Services Guide (FSG) and a Product Disclosure Statement (PDS) that relate to conflicts, including disclosing remuneration and possible conflicts of interest.</p>	<p>Corporations Act</p> <ul style="list-style-type: none"> • Sections 941A and 941B (obligation to disclose benefits and relationships in an FSG before providing financial services) • Section 1013C(3) (obligation to provide a PDS) <p>ASIC instruments</p> <ul style="list-style-type: none"> • ASIC Corporations (Financial Services Guides) Instrument 2015/541 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> • RG 168 <i>Product Disclosure Statements (and other disclosure obligations)</i> • RG 175 <i>AFS licensing: Financial product advisers—Conduct and disclosure</i> • RG 221 <i>Facilitating digital financial services disclosure</i> • INFO 291 <i>FSGs and website disclosure information</i>

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Table 7: Personal advice

Key obligation	Source	Guidance and further information
<p>Client interests</p> <p>If you provide personal advice to a retail client, you must prioritise the client's interests over your interests or the interests of your associates, unless the advice relates to a basic banking product, a general insurance product or a combination of these.</p>	<p>Corporations Act</p> <ul style="list-style-type: none"> Section 961J (obligation to prioritise the client's interests over your own or your associates' interests) 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> RG 175 <i>AFS licensing: Financial product advisers—Conduct and disclosure</i>
<p>Conflicted remuneration</p> <p>Conflicted remuneration is any benefit given to an AFS licensee or its representatives that:</p> <ul style="list-style-type: none"> could reasonably be expected to influence the product recommended or the advice given, or relates to information on, or dealing in, a life risk insurance product. <p>As an AFS licensee or representative, you must not accept conflicted remuneration. Product issuers are also banned from providing it to you.</p> <p>Other forms of remuneration that may influence the advice provided (e.g. volume-based shelf-space fees) are also banned.</p> <p>Certain insurance commissions are exempt from the ban on conflicted remuneration if the AFS licensee or representative first obtains the client's informed consent.</p>	<p>Corporations Act</p> <ul style="list-style-type: none"> Division 4 of Part 7.7A (prohibition against conflicted remuneration) Division 5 of Part 7.7A (other banned remuneration) 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> RG 246 <i>Conflicted and other banned remuneration</i> INFO 292 <i>FAQs: Informed consents for insurance commissions</i>

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Key obligation	Source	Guidance and further information
Code of Ethics If you are authorised to provide personal advice to a retail client, you must comply with the <i>Financial Planners and Adviser Code of Ethics 2019</i> , which requires you to avoid advising, referring, or acting where there is a conflict of interest or duty.	Corporations Act <ul style="list-style-type: none"> Section 921E (obligation to comply with Code of Ethics) Other instruments Financial Planners and Adviser Code of Ethics 2019 (see Standard 3 relating to conflicts)	Not applicable
Statement of Advice When required, you must give a Statement of Advice (SOA) when providing personal advice to a client. The SOA must include information about any conflicts of interest, such as remuneration and interests held by the adviser or their associates, that could influence the advice provided.	Corporations Act <ul style="list-style-type: none"> Sections 947B and 947C (obligations to disclose benefits and relationships in SOA) Division 3 of Part 7.7 of the <i>Corporations Regulations 2001</i> 	Regulatory guidance <ul style="list-style-type: none"> RG 175 <i>AFS licensing: Financial product advisers—Conduct and disclosure</i> RG 221 <i>Facilitating digital financial services disclosure</i> INFO 266 <i>FAQs: Records of advice (ROAs)</i>

Table 8: General advice

Key obligation	Source	Guidance and further information
Research reports If you provide retail and wholesale clients with relevant investment research ('research report providers'), you must comply with the conflicts management obligation.	Corporations Act <ul style="list-style-type: none"> Section 912A(1)(aa) (conflicts management obligation) 	Regulatory guidance <ul style="list-style-type: none"> RG 79 <i>Research report providers: Improving the quality of investment research</i> RG 264 <i>Sell-side research</i>

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Table 9: Claims handling

Key obligation	Source	Guidance and further information
<p>If you undertake claims handling and settlement services, you must comply with your conflicts management obligation. This includes managing conflicts relating to:</p> <ul style="list-style-type: none"> incentives and performance metrics for claims staff and management remuneration agreements, and profit-sharing contracts. 	<p>Corporations Act</p> <ul style="list-style-type: none"> Section 912A(1)(aa) (conflicts management obligation) 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> INFO 253 <i>Claims handling and settling: How to comply with your AFS licence obligations</i>

Table 10: Superannuation

Key obligation	Source	Guidance and further information
<p>Superannuation trustees</p> <p>If you are a superannuation trustee, you must act in the members' best financial interests if there is a conflict and ensure that:</p> <ul style="list-style-type: none"> you prioritise your duties to members, and in the best interests of members your duties to members are met despite the conflict interests of members are not adversely affected by the conflict, and you comply with the prudential standards in relation to conflicts. 	<p><i>Superannuation Industry (Supervision) Act 1993</i></p> <ul style="list-style-type: none"> Section 52(2)(a) (duty of trustees of registrable superannuation entities (RSEs) to act honestly) Section 52(2)(c) (duty of trustees of RSEs to act in members' best financial interests) Section 52(2)(d)(i)–(iv) (e.g. duties to prioritise the members' interests) 	Not applicable

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Table 11: Funds management

Key obligation	Source	Guidance and further information
<p>Managed investment schemes</p> <p>As a responsible entity (or its officer) of a registered scheme, you must prioritise the interests of your members in a conflict.</p> <p>We also provide specific guidance on:</p> <ul style="list-style-type: none"> holding assets, which includes addressing certain conflicts of interest, such as conflicts of custodial staff, and for certain scheme types—the use of disclosure for relevant conflicts issues such as related-party transactions and conflicts in valuations. 	<p>Corporations Act</p> <p>Chapter 5C, including:</p> <ul style="list-style-type: none"> sections 601FC and 601FD (duty to act in members' best interests and to give priority to members' interests) sections 601FC and 601FD (duty to not misuse information) section 601E (employees to not misuse information or make improper use of their position) <p>ASIC instruments</p> <ul style="list-style-type: none"> ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> RG 45 <i>Mortgage schemes: Improving disclosure for retail investors</i> RG 46 <i>Unlisted property schemes: Improving disclosure for retail investors</i> RG 132 <i>Funds management: Compliance and oversight</i> RG 133 <i>Funds management and custodial services: Holding assets</i> RG 148 <i>Platforms that are managed investment schemes and nominee and custody services</i> RG 228 <i>Prospectuses: Effective disclosure for retail investors</i> RG 231 <i>Infrastructure entities: Improving disclosure for retail investors</i> RG 232 <i>Agribusiness managed investment schemes: Improving disclosure for retail investors</i> RG 240 <i>Hedge funds: Improving disclosure</i> RG 259 <i>Risk management systems of fund operators</i> INFO 213 <i>Marketplace lending (peer-to-peer lending) products</i>

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Key obligation	Source	Guidance and further information
Corporate collective investment vehicles (CCIVs) If you are a corporate director of a CCIV, you must prioritise members' interests in a conflict and minimise conflicts of custodial staff when holding assets.	Corporations Act Chapter 8B, including: <ul style="list-style-type: none"> Section 1224D (duty to give priority to members' interests) ASIC instruments <ul style="list-style-type: none"> ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16 	Regulatory guidance <ul style="list-style-type: none"> RG 132 <i>Funds management: Compliance and oversight</i> RG 133 <i>Funds management and custodial services: Holding assets</i> RG 259 <i>Risk management systems of fund operators</i>
Crowd-sourced funding (CSF) intermediaries If you are a CSF intermediary, you must comply with the conflicts management obligation and specific obligations on related party transactions.	Corporations Act <ul style="list-style-type: none"> Section 738ZK and regulation 6D.3A.01 (related party transactions) 	Regulatory guidance <ul style="list-style-type: none"> RG 261 <i>Crowd-sourced funding: Guide for companies</i> RG 262 <i>Crowd-sourced funding: Guide for intermediaries</i>
Custodial or depository services If you provide a custodial or depository service, you must: <ul style="list-style-type: none"> segregate custodial staff (and direct and indirect managers) from persons performing other functions in a way that minimises the potential for conflicts of interest between their duties and other functions, and use business structures that support minimising these conflicts. 	ASIC instruments <ul style="list-style-type: none"> ASIC Corporations (Custody Standards for Providers of Custodial and Depository Services) Instrument 2024/17 	Regulatory guidance <ul style="list-style-type: none"> RG 133 <i>Funds management and custodial services: Holding assets</i>

Key obligation	Source	Guidance and further information
<p>Managed discretionary accounts (MDAs) and investor directed portfolio services (IDPS)</p> <p>If you are an MDA provider or an operator of an IDPS that holds custodial property, you must:</p> <ul style="list-style-type: none"> segregate custodial staff (and direct and indirect managers) from persons performing other functions in a way that minimises the potential for conflicts of interest between their duties and other functions, and use business structures that support minimising this conflict. 	<p>ASIC instruments</p> <ul style="list-style-type: none"> ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968 ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> RG 179 <i>Managed discretionary accounts</i> RG 148 <i>Platforms that are managed investment schemes and nominee and custody services</i>

Table 12: Market supervision

Key obligation	Source	Guidance and further information
<p>Market conduct</p> <p>You are prohibited from certain conduct that results in insider trading and market manipulation of financial products and services. These provisions are intended to promote investor protection and market integrity.</p> <p>Conflicts of interest are a significant driver of, and can result in, market misconduct.</p>	<p>Corporations Act</p> <p>Part 7.10, including:</p> <ul style="list-style-type: none"> Division 3 (insider trading provisions) Section 1041A (market manipulation) 	<p>ASIC reports</p> <ul style="list-style-type: none"> REP 331 <i>Dark liquidity and high-frequency trading</i> REP 486 <i>Sell-side research and corporate advisory: Confidential information and conflicts</i> REP 605 <i>Allocations in equity raising transactions</i> REP 652 <i>Wholesale FX practices in Australia</i> REP 668 <i>Allocations in debt capital market transactions</i> REP 741 <i>Conduct risk in wholesale fixed income markets</i> REP 742 <i>Managing conflicts of interest in wholesale financial markets</i>

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Key obligation	Source	Guidance and further information
Market Integrity Rules (Securities and Futures) <p>If you are a securities or futures market participant, you must comply with the ASIC market integrity rules, which include those that address conflicts of interest. These rules are designed to promote fair, orderly and transparent markets.</p>	Market integrity rules <ul style="list-style-type: none"> • ASIC Market Integrity Rules (Securities Markets) 2017 • ASIC Market Integrity Rules (Futures Markets) 2017 • ASIC Market Integrity Rules (Securities Markets and Futures Markets) Amendment Instrument 2022/74 	Regulatory guidance <ul style="list-style-type: none"> • RG 265 <i>Guidance on ASIC market integrity rules for participants of securities markets</i> • RG 266 <i>Guidance on ASIC market integrity rules for participants of futures markets</i>
Listed entity <p>If you are a listed disclosing entity, you must immediately disclose market-sensitive information to the market operator once you are aware of it. This may include disclosing relevant conflicts of interest.</p>	Corporations Act <ul style="list-style-type: none"> • Sections 674 and 677 (continuous disclosure obligations) ASX Listing Rules <ul style="list-style-type: none"> • Rules 3.1 and 3.1A 	Regulatory guidance <ul style="list-style-type: none"> • RG 193 <i>Notification of directors' interests in securities: Listed companies</i> Other information <ul style="list-style-type: none"> • ASX Corporate Governance Principles
ASX Listing and Operating Rules and CBOE Operating Rules <p>If you are a listed entity, or their associate, you must comply with your ASX Listing and Operating Rules (including AQUA rules) or CBOE Operating Rules, which include conflicts of interest obligations.</p> <p>You must take these rules into account when complying with your conflicts management obligation if you are:</p> <ul style="list-style-type: none"> • a listed entity that operates a financial services business, or • hold an AFS licence and advise or deal in relation to a listed entity. 	Corporations Act <ul style="list-style-type: none"> • Sections 793C and 1101B <p>ASX Listing Rules, including Chapter 10, with obligations relating to transactions with persons in positions of influence.</p> <p>AQUA Rules (Schedule 10A to the ASX Operating Rules) are designed for 'open-ended' investment schemes such as exchange traded funds (ETFs) and structured products. It includes obligations to manage conflicts.</p> <p>CBOE Operating Rules, which includes obligations to manage conflicts.</p>	Not applicable

Table 13: Corporate governance

Key obligation	Source	Guidance and further information
Directors' duties If you are a director or other relevant employee in relation to a financial services business, you must consider your: <ul style="list-style-type: none"> duties to disclose material personal interests or standing interests when conflicts arise, and general duties, such as acting in good faith and not misusing your position. 	Corporations Act Chapter 2D, Part 2D.1, including: <ul style="list-style-type: none"> sections 180–181 (general duties to act in good faith and with care and diligence) sections 182–183 (not use position or information improperly) sections 191–192 (conflicts of interest and disclosure) 	Not applicable
Annual disclosure If you are a company, registered managed investment scheme, registrable superannuation entity, or disclosing entity, you should consider whether you need to disclose any conflicts of interest in your annual financial report and directors' report.	Corporations Act Part 2M.3, Division 1, including: <ul style="list-style-type: none"> section 292 (directors' reports) section 299 (annual directors' report, general information) 	Regulatory guidance <ul style="list-style-type: none"> RG 170 <i>Prospective financial information</i> (for possible guidance on disclosing confidential information) RG 247 <i>Effective disclosure in an operating and financial review</i>
Related party transactions A related party transaction occurs when a public company or registered managed investment scheme provides a financial benefit to a related party, such as a director, their spouse, or certain relatives, creating an actual or apparent conflict of interest. If you are a public company or responsible entity that is a financial services business, you must obtain member approval before providing such benefits, unless an exception applies. Directors who have a material personal interest may be restricted from voting on the matter.	Corporations Act <ul style="list-style-type: none"> Part 2D.1, Division 2 (material personal interests) Chapter 2E and Part 5C.7 (related party transactions) 	Regulatory guidance <ul style="list-style-type: none"> RG 76 <i>Related party transactions</i>

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Table 14: Fundraising

Key obligation	Source	Guidance and further information
<p>Securities transactions</p> <p>Securities transactions may raise a range of conflicts of interest issues, including when providing corporate advice or undertaking allocations in equity raising.</p> <p>If you advise or deal in securities, you should consider how relevant conflicts may need to be effectively managed.</p>	<p>Corporations Act</p> <p>Chapters 2E, 5, 6, 6A, 6B, 6C, 6D</p>	<p>Reports</p> <ul style="list-style-type: none"> • REP 605 <i>Allocations in equity raising transactions</i> • REP 486 <i>Sell-side research and corporate advisory: Confidential information and conflicts</i>
<p>Offering securities – Disclosure</p> <p>If you advise or deal in the offer of securities, you must consider:</p> <ul style="list-style-type: none"> • how any related conflicts issues should be effectively managed, and • if and how relevant conflicts should be disclosed in the relevant disclosure document. 	<p>Corporations Act</p> <p>Chapter 6D (fundraising provisions), including:</p> <ul style="list-style-type: none"> • section 710 (content of a prospectus) • section 715 (content of offer information statement) 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> • RG 228 <i>Prospectuses: Effective disclosure for retail investors</i> • RG 254 <i>Offering securities under a disclosure document</i>
<p>Independent experts and expert reports</p> <p>If you are engaged to provide an expert report for a securities transaction, both you and the report must remain independent.</p> <p>As an AFS licensee, you must comply with the conflicts management obligation when:</p> <ul style="list-style-type: none"> • providing an expert report (advising on or dealing in a financial product), or • advising or dealing in a securities transaction requiring an expert report. 	<p>Corporations Act</p> <p>Chapters 2E, 5, 6 and 6A (requirements to obtain expert reports for certain securities transactions such as takeover bids, schemes of arrangement, buy-backs, related party transactions, and compulsory acquisition of shares)</p> <p>ASX Listing Rules</p> <p>Chapters 5,6,7,8,9,10,11,13 (expert reports required, including for transactions with persons in a position of influence).</p>	<p>Regulatory guidance</p> <ul style="list-style-type: none"> • RG 111 <i>Content of expert reports</i> • RG 112 <i>Independence of experts</i>

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Table 15: Audit services

Key obligation	Source	Guidance and further information
<p>Audit services</p> <p>If you are a financial services business, you should ensure you procure and engage with auditors so that you comply with your conflicts management obligation and other relevant legal obligations.</p> <p>If you are an auditor, you must comply with the requirements associated with auditor independence and conflicts of interest:</p> <ul style="list-style-type: none"> auditor rotation addressing the relationships between current and former members of audit firms and the audited companies, and evaluating whether the provision of certain non-audit services could undermine independence or create potential conflicts of interest. 	<p>Corporations Act</p> <ul style="list-style-type: none"> Part 2M.4, Div 3 (Auditor Independence) Chapter 2M (financial reporting) Chapter 7 (financial statements) 	<ul style="list-style-type: none"> Regulatory guidance RG 26 <i>Resignation, removal and replacement of auditors</i> RG 34 <i>Auditor's obligations: Reporting to ASIC</i> RG 187 <i>Auditor rotation</i> Other information APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (APES 110)

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Roadmap: Key obligations for other licensees

Table 16: Market licensees

Key obligation	Source	Guidance and further information
Market licensing obligations If you are also a market licensee, you must comply with your general licensing obligations, including having adequate arrangements to prevent conflicts from undermining market integrity.	Corporations Act Parts 7.2 and 7.2A, including: <ul style="list-style-type: none"> • section 792A(c) (manage conflicts of interest) • section 798E (other potential conflict situations) 	Regulatory guidance <ul style="list-style-type: none"> • RG 172 <i>Financial markets: Domestic and overseas operators</i>

Table 17: CS facility licensees

Key obligation	Source	Guidance and further information
CS facility licensing obligations If you are also a CS facility licensee, you must do all things necessary to reduce systemic risk and, to the extent reasonably practicable, have adequate arrangements to handle conflicts as required by the law.	Corporations Act <ul style="list-style-type: none"> • Section 821A (general licensing obligations), including: • Section 821A(1)(c)(i) (adequate arrangement to handle conflicts) 	Regulatory guidance <ul style="list-style-type: none"> • RG 211 <i>Clearing and settlement facilities: Australian and overseas operators</i>

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Table 18: Credit licensees

Key obligation	Source	Guidance and further information
<p>Credit licensing obligations</p> <p>If you are also an Australian credit licensee, you must comply with your general credit licensing obligations, including to have in place adequate arrangements to ensure clients are not disadvantaged by conflicts of interest.</p> <p>If you are a credit assistance provider, you must also ensure that you comply with:</p> <ul style="list-style-type: none"> the duty to prioritise the consumers' interests when providing credit assistance, and prohibitions on conflicted remuneration. 	<p>National Consumer Credit Protection Act</p> <ul style="list-style-type: none"> Section 47 (general credit licensing obligations) Chapter 3 (responsible lending and disclosure obligations) Part 3.5A (applicable to mortgage brokers and mortgage intermediaries), including: <ul style="list-style-type: none"> Division 2 (including obligations to prioritise the consumers' interests) Division 4 (conflicted remuneration obligations) 	<p>Regulatory guidance</p> <ul style="list-style-type: none"> RG 205 <i>Credit licensing: General conduct obligations.</i> RG 209 <i>Responsible lending obligations</i> RG 273 <i>Mortgage brokers: Best interests duty</i> INFO 134 <i>Complying with your obligations if both credit licensee and AFS licensee</i> INFO 146 <i>Responsible lending disclosure obligations: Overview for credit licensees and representatives</i>

Table 19: APRA-regulated entities

Key obligation	Source	Guidance and further information
<p>APRA Prudential Standards</p> <p>If you are also regulated by APRA, you must comply with your licensing and prudential obligations, including those that are relevant to managing conflicts of interest.</p>	<p>APRA Prudential Standards</p> <p>Prudential standards relevant to conflicts include:</p> <ul style="list-style-type: none"> Prudential Standard CPS 510 (obligations related to independence) Prudential Standard CPS 511 (obligations related to mitigating conflicts in remuneration arrangements) Prudential Standard CPS 220 (risk management) Prudential Standard CPS 520 (fit and proper) Prudential Standard SPS 510 (conflicts of interest and governance of an RSE licensee) Prudential Standard SPS 521 (conflicts of interest and requirements relating to the management of conflicts by an RSE licensee) 	Not applicable

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Key terms

Term	Meaning in this document
AFS licence	<p>An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services</p> <p>Note: This is a definition in s9.</p>
AFS licensee (or licensee)	<p>A person who holds an AFS licence</p> <p>Note: This is a definition contained in s9.</p>
ASIC	Australian Securities and Investments Commission
conflicts of interest	See RG 181.28–RG 181.33
conflicts management obligation	The obligation in s912A(1)(aa) to have in place adequate arrangements for managing conflicts of interest
financial product	<p>A facility through which, or through the acquisition of which, a person does one or more of the following:</p> <ul style="list-style-type: none"> (a) makes a financial investment (see s763B); (b) manages financial risk (see s763C); and/or (c) makes non-cash payments (see s763D) <p>Note: This is a definition contained in s763A.</p>
financial product advice	<p>A recommendation, a statement of opinion or an interpretation of information, or a report of any of those things, that:</p> <ul style="list-style-type: none"> (a) is intended to influence a person or persons in making a decision in relation to a particular financial product or class of financial products, or an interest in a particular financial product or class of financial products; or (b) could reasonably be regarded as being intended to have such an influence; <p>but does not include anything in an exempt document</p> <p>Note: This is a definition contained in s766B.</p>
financial services	Has the meaning set out in s766A of the Corporations Act
financial services laws	Has the meaning set out in s761A of the Corporations Act
information asymmetry	<p>An economic concept where one party in a transaction has more or better information than the other, creating an imbalance of power. This can lead to adverse outcomes and economic inefficiencies</p>

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Term	Meaning in this document
representative	<p>A representative of a financial services licensee means:</p> <ul style="list-style-type: none">(a) an authorised representative of the licensee;(b) an employee or director of the licensee;(c) an employee or director of a related body corporate of the licensee; or(d) any other person acting on behalf of the licensee <p>Note: This is a definition contained in s9.</p>
retail client	Has the meaning set out in s761G
target market	Has the meaning given in s9

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Related information

Headnotes

conflicts of interest; conflicts; internal controls; information barriers; conflicts management; disclosure; avoiding; managing conflicts; adequate arrangements

Regulatory guides

[RG 36](#) *Licensing: Financial product advice and dealing*

[RG 78](#) *Breach reporting by AFS licensees and credit licensees*

[RG 79](#) *Research report providers: Improving the quality of investment research*

[RG 104](#) *AFS licensing: Meeting the general obligations*

[RG 105](#) *AFS licensing: Organisational competence*

[RG 166](#) *AFS licensing: Financial requirements*

[RG 175](#) *AFS licensing: Financial product advisers—Conduct and disclosure*

[RG 246](#) *Conflicted and other banned remuneration*

Legislation

Corporations Act 2001, s9, 601FC, 760A, 912A(1)(aa), 912A(1), 912A(1)(a), 912A(1)(c), 912A(1)(ca), 941A, 941B, 946A

Superannuation Industry (Supervision) Act 1993, s52(2)(d)

Cases

Australian Securities and Investments Commission v AGM Markets Pty Ltd (In Liq and Ors) (No 4) (2020) 148 ACSR 511

Australian Securities and Investments Commission v Avestra Asset Management Limited (In Liquidation) (2017) 348 ALR 525

Australian Securities and Investments Commission v Westpac Banking Corporation (No 2) (2018) 357 ALR 240

Australian Securities and Investments Commission v Westpac Banking Corporation (Penalty Hearing) [2024] FCA 52

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