



ABN: 64 134 481 539

All correspondence to: PO Box 2324, Taren Point NSW 2229
Suite 37, 3 Box Road, Taren Point NSW 2229

Ph: (02) 9540 1511
email: info@dynamicsyndications.com.au
www.dynamicsyndications.com
AFS Lic. 336808

DYNAMIC SYNDICATIONS PTY LTD

AFSL 336808

Submission to ASIC

Review of ASIC Corporations (Horse Schemes) Instrument 2016/790

June 2026

EXECUTIVE SUMMARY

Dynamic Syndications strongly supports the continuation of ASIC Corporations (Horse Schemes) Instrument 2016/790 and agrees with ASIC's preliminary assessment that the Instrument remains a necessary and useful part of the legislative framework.

The current framework has successfully balanced investor protection with commercial practicality and has enabled the Australian racehorse syndication industry to flourish whilst maintaining appropriate safeguards for retail investors.

Dynamic Syndications does not support the removal of Australian Financial Services Licence requirements, Product Disclosure Statement requirements, financial resource requirements, trust account protections or ASIC oversight.

In our view, the existing framework is not broken and there is no evidence of systemic failure that would justify fundamental structural reform.

We do support targeted improvements that would streamline administration, reduce unnecessary delays and improve accessibility to racehorse ownership whilst retaining the investor protections that have underpinned the success of the industry for more than two decades.

ABOUT DYNAMIC SYNDICATIONS

Dynamic Syndications is one of Australia's longest established and most successful racehorse syndication businesses.

Operating continuously since November 2004, Dynamic Syndications holds Australian Financial Services Licence 336808 and has operated under successive versions of the Horse Schemes regulatory framework for more than twenty one years.

During that period Dynamic Syndications has:

- Promoted and managed over 370 racehorse ownership schemes.
- Achieved in excess of 1,000 race wins.
- Maintained a winners to runners strike rate exceeding 91%.
- Operated continuously under ASIC regulation and Lead Regulator oversight.

This submission is based upon practical experience operating within the current framework on behalf of thousands of racehorse owners and investors.

Dynamic Syndications has operated continuously under successive versions of the Horse Schemes relief framework since 2004 and has therefore experienced firsthand the practical operation of the regulatory regime over more than two decades.

THE CURRENT FRAMEWORK IS WORKING EFFECTIVELY

The current Horse Schemes Instrument has made a substantial contribution to the professionalism, transparency and credibility of the Australian racehorse syndication industry.

The framework provides a practical alternative to the full Managed Investment Scheme regime whilst maintaining important consumer protections.

The current framework successfully achieves several key objectives:

- Protection of retail investors.
- Disclosure of fees, costs and conflicts.
- Financial accountability.
- Protection of client funds.
- Regulatory oversight.
- Promotion of industry confidence.

Importantly, Dynamic Syndications has not identified any systemic failure within the existing framework that would justify the removal of the protections currently provided through AFSL licensing and ASIC oversight.

While there may be opportunities to improve efficiency and reduce administrative delays, we do not believe those objectives require the dismantling of the existing regulatory structure.

APPLICATION OF MANAGED INVESTMENT SCHEME PROVISIONS

Dynamic Syndications does not believe there is significant uncertainty regarding the legal status of horse racing syndications.

Judicial decisions and longstanding regulatory policy have established that horse racing syndications constitute Managed Investment Schemes because participants do not exercise day to day control over the underlying asset. The ongoing management of the horse is delegated to the manager of the syndication and associated professional service providers including trainers, veterinarians, spelling farms, transport providers and racing administrators.

The current Instrument provides a practical and effective mechanism for relief from full Managed Investment Scheme registration requirements whilst maintaining appropriate investor protections.

In our view, the current framework provides regulatory certainty and has been well understood by licensed promoters for many years.

The existing framework successfully balances the need for investor protection with the practical realities of racehorse ownership and syndication.

Accordingly, Dynamic Syndications does not believe there is a compelling case for fundamental changes to the existing relief framework.

COMPLIANCE COSTS ARE MODEST AND PROPORTIONATE

Much of the discussion surrounding reform has focused upon the alleged cost burden associated with compliance.

Dynamic Syndications submits that the actual costs of compliance are modest and proportionate when measured against the protections they provide.

The direct annual costs incurred by Dynamic Syndications in meeting ASIC and AFSL obligations during the 2025 financial year were approximately:

AFCA Membership: \$415

CSLR Levy: \$647

ASIC Industry Funding Levy: \$5,854

ASIC Annual Company Statement: \$329

ASIC Required Audit Fees: \$9,855

Professional Indemnity Insurance: \$19,300

Veterinary Certification Requirements: \$9,000

Total Annual Cost: Approximately \$45,400

Based upon approximately twenty promotions annually, this equates to:

- Approximately \$2,270 per promotion.
- Approximately \$114 per 5% ownership interest.
- Less than 1% of the average capital raised per syndication.

In our view, these costs represent a reasonable and proportionate cost of providing investor protection and maintaining confidence in the industry.

Dynamic Syndications does not consider these compliance obligations to be excessive or burdensome.

INVESTOR PROTECTIONS SHOULD BE RETAINED

AFSL Licensing

The requirement for public syndication promoters to hold an Australian Financial Services Licence remains one of the most important protections available to investors.

AFSL holders are subject to:

- Organisational competence requirements.
- Financial resource requirements.
- Professional indemnity insurance requirements.
- Internal compliance systems.
- External dispute resolution obligations.
- Audit requirements.
- Ongoing ASIC supervision.

These requirements help ensure that promoters possess the financial capacity, systems and competence necessary to manage investor funds responsibly.

Any proposal to remove AFSL requirements should clearly identify what equivalent safeguards would replace them.

Product Disclosure Statements

The Product Disclosure Statement framework provides consistency, transparency and accountability.

The current requirements ensure that prospective participants receive meaningful information regarding:

- Fees and costs.
- Conflicts of interest.
- Ownership arrangements.
- Purchase price disclosures.
- Risks associated with participation.

Before any simplified disclosure regime is introduced, it should be clearly demonstrated that equivalent investor protections will be maintained.

Financial Resource Requirements

AFSL holders are required to comply with ASIC Regulatory Guide 166 and maintain adequate financial resources including:

- Net Tangible Assets.
- Cash Resources.
- Surplus Liquid Funds.

These requirements provide an important safeguard by ensuring promoters remain financially solvent and capable of meeting their obligations to investors.

Dynamic Syndications currently maintains the required financial resources including minimum Surplus Liquid Funds of \$50,000.

These requirements are not a burden. They are an important investor protection measure.

Protection of Client Funds

The requirement to maintain separate syndicate bank accounts is fundamental.

These arrangements protect investors by ensuring funds remain available for:

- Cooling off obligations.
- Refund obligations.
- Failed capital raisings.
- Unexpected events affecting the promoted horse.

The protection of client funds should remain a cornerstone of any future framework.

TARGETED IMPROVEMENTS TO THE CURRENT FRAMEWORK

Dynamic Syndications supports targeted reforms designed to improve efficiency without reducing investor protection.

Faster Approval Processes

Delays in the approval of Product Disclosure Statements and promotional material can create unnecessary restrictions on trade.

Most syndication documentation is based upon approved templates with only limited variable information changing between promotions.

Greater use of technology, automation and artificial intelligence could significantly improve processing times and reduce administrative delays for both regulators and industry participants.

Digital Processes

Further adoption of:

- Electronic signatures.
- Digital disclosure.
- Online lodgement systems.
- Digital record keeping.

would improve efficiency and reduce unnecessary administration.

Participant Threshold

Dynamic Syndications supports 20 shareholders threshold. However, we believe consideration should be given to increasing the current natural participant threshold from 50 participants to 100 participants.

The increasing costs associated with racehorse ownership have created demand for smaller ownership interests.

An increased participant threshold would allow more Australians to participate in racehorse ownership whilst maintaining all existing regulatory protections.

This change would improve accessibility without increasing investor risk.

Mixed Ownership and Leasing Structures

Consideration should also be given to allowing greater flexibility in ownership structures through combinations of outright ownership interests, syndicates, and leasehold interests within the same promoted scheme, combining to 100% of the whole promotion.

This would improve participation opportunities and better reflect commercial arrangements already utilised within the thoroughbred industry.

REGULATORY CONSISTENCY

If investor protection remains the primary objective of the framework, similar activities within the industry should be subject to similar standards.

Dynamic Syndications believes consideration should be given to ensuring consistent treatment of all participants involved in the promotion of racehorse ownership interests, regardless of whether those interests are promoted by licensed syndicators, trainers or other industry participants.

Consistent standards improve investor confidence and reduce regulatory arbitrage.

PRACTICAL IMPACT ON INDUSTRY PARTICIPANTS

Syndicators

The current framework has allowed licensed syndicators to operate successfully whilst maintaining appropriate consumer protections and regulatory oversight.

The obligations associated with AFSL licensing, disclosure, reporting and financial resource requirements are manageable and proportionate to the protections they provide.

Owners

Owners benefit from the transparency, accountability and protections provided under the current framework including Product Disclosure Statements, trust account requirements, financial resource obligations and dispute resolution mechanisms.

These protections provide confidence that participant funds are appropriately managed and that ownership interests are administered in a professional manner.

Trainers

Trainers also benefit from the confidence and certainty created by the current framework.

Well documented ownership structures, clear disclosure obligations and appropriate administration reduce the likelihood of ownership disputes and contribute to the orderly operation of the racing industry.

Dynamic Syndications believes consideration should be given to ensuring consistent regulatory standards apply where ownership interests are promoted to members of the public, regardless of whether those interests are promoted by a licensed syndicator, trainer, or another industry participant.

Regulatory consistency promotes investor confidence and reduces the risk of unequal standards being applied to similar activities.

THE ROLE OF PRINCIPAL RACING AUTHORITIES

Dynamic Syndications supports the continued involvement of Principal Racing Authorities as Lead Regulators under the existing framework.

Lead Regulators perform an important role in:

- Registration of promoters.
- Review of disclosure documents.
- Advertising oversight.
- Industry supervision.

However, Dynamic Syndications does not support replacing ASIC's financial services oversight with sole reliance upon industry regulation.

Financial services regulation and racing regulation perform different functions.

Principal Racing Authorities possess specialist expertise in racing administration, integrity and ownership registration.

ASIC possesses specialist expertise in financial services regulation, investor protection and compliance oversight.

In our view, the existing dual oversight model continues to provide an appropriate balance and should be retained.

EDUCATION AND PROFESSIONAL DEVELOPMENT

Dynamic Syndications believes there is a significant opportunity to improve industry standards through the development of a nationally recognised education and professional development programme for individuals involved in the promotion and administration of horse racing syndications.

The current framework places substantial responsibilities upon promoters, Responsible Officers, compliance personnel and administrative staff. However, there is currently no nationally consistent education programme dealing with the practical application of ASIC requirements, AFSL obligations, Lead Regulator requirements and syndication administration.

Dynamic Syndications supports the development of an industry education framework covering areas including:

- ASIC and AFSL obligations.
- Product Disclosure Statement requirements.
- Trust account administration.
- Conflicts of interest.
- Ownership structures.
- Rules of Racing obligations.
- Client fund protection.
- Professional standards and conduct.

The use of online education modules, webinars, digital learning platforms and continuing professional development requirements would improve industry standards and compliance outcomes across the sector.

Dynamic Syndications also supports periodic regulatory update webinars involving ASIC, Lead Regulators and industry participants to ensure that regulatory developments and compliance expectations are communicated consistently throughout the industry.

In our view, improved education and professional development would strengthen investor protection, improve compliance standards and support the ongoing professionalism of the Australian horse syndication industry.

CONCLUSION

Dynamic Syndications supports the continuation of ASIC Corporations (Horse Schemes) Instrument 2016/790 and agrees with ASIC's preliminary assessment that the Instrument remains a necessary and useful part of the legislative framework.

The current framework has successfully protected investors, supported industry growth and facilitated the professional operation of racehorse syndications for more than two decades.

Dynamic Syndications supports targeted reforms designed to improve efficiency and reduce administrative delays.

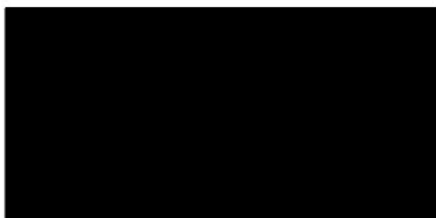
However, Dynamic Syndications does not support the removal of:

- AFSL licensing requirements.
- Product Disclosure Statement requirements.
- Financial resource obligations.
- Trust account protections.

- ASIC oversight.

unless it can be clearly demonstrated that equivalent protections will be provided under any replacement framework.

In our view, the objective should be to improve the existing framework, not dismantle it.



Managing Director and Responsible Officer

Dynamic Syndications Pty Ltd

AFSL 336808