

FINANCIAL SERVICES REGULATORY UPDATE

True Oak develops and distributes a monthly overview of current and proposed regulatory changes in the Australian financial services industry and the climate regulation industry that we think might be of interest to our CAR clients and Trustee Services clients.

This issue covers the period 15 December 2025 (date of last update) – 3 February 2026.

GOVERNMENT

1. Government Opens Consultation on the Effectiveness of Financial Service Professional Indemnity Insurance (12 December 2025)

Treasury has released a [consultation paper on professional indemnity insurance \(PII\)](#) in financial services, focusing on how PII can better support consumer redress when things go wrong.

The consultation looks at both regulatory settings (e.g. licence conditions, coverage standards) and market dynamics (e.g. affordability, availability of cover for certain risks). It also explores how PII interacts with other parts of the compensation framework, including AFCA, the forthcoming compensation scheme of last resort settings, and existing ASIC guidance on compensation arrangements.

Submissions close 13 February 2026.

2. Government Begins Consultation on Publication of Director ID Numbers (22 January 2026)

Treasury is [consulting](#) on draft laws to link Director Identification Numbers (Director IDs) to the Company Register.

The amendments:

- a. Require that Director IDs are provided to ASIC as part of the company registration and director information reporting processes;
- b. Require that directors provide their Director IDs to companies to enable the above;
- c. Give ASIC power to publish Director ID information on the Company Register; and
- d. Give ASIC the power to disqualify directors who fail to apply for a Director ID.

Consultation closes 10 February 2026.

ASIC

Regulatory Guides, Consultation Papers and Legislative Instruments

3. ASIC Renews Guidance on Managing Conflicts of Interest (16 December 2025)

ASIC has updated its regulatory guidance on managing conflicts of interest for Australian financial services businesses.

The changes align ASIC's guidance with developments in law and policy and draw on ASIC's regulatory experience and insights from its surveillance of private markets.

The updated [Regulatory Guide 181 – AFS Licensing: Managing Conflicts of Interest](#) (RG 181) sets out clear, principles-based guidance for AFS Licensees.

Key updates include:

- a. How the law applies to conflicts of interest, including the scope of the conflicts management obligation and links to other related obligations
- b. The types of conflicts AFS Licensees should identify and manage
- c. The need for robust, tailored arrangements to manage conflicts
- d. Practical steps for effective conflict management, and
- e. A non-exhaustive 'catalogue' of related legal obligations and information.

4. ASIC Makes Minor Updates to Expert Independence Guidance (16 December 2025)

ASIC has released an updated version of [Regulatory Guide 112 – Independence of Experts](#) (RG 112), which explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report and other interested parties (for example, where the target of a takeover bid is required, or chooses, to commission an independent expert report).

ASIC states: In this guide, a reference to expert means the person or entity that issues the report. In most cases, this will be a corporate entity holding an Australian financial services licence, even though a senior director or employee may sign the report in the name of the corporate entity and be principally responsible for preparing the report.

Note: RG 112 remains dated as March 2011. In the document history on page 1, ASIC notes: "In December 2025 we inserted the Note on the cover page, simplified language in RG 112.7 and RG 112.12, inserted a sub-heading before RG 112.36 and made further minor updates to reflect current style and drafting practices".

Letters to Industry, Speeches and Reports

5. New ASIC Chair (3 February 2026)

ASIC Chair Joe Longo has [welcomed](#) the appointment of Sarah Court as the agency's incoming Chair.

Sarah has been the Deputy Chair at ASIC since June 2021. She commences as ASIC Chair on [1 June 2026](#).

Infringement Notices and Court Proceedings

No specific updates for this report.

CLEAN ENERGY COUNCIL

No specific updates for this report.

AUSTRAC

6. AUSTRAC Releases Preview of 2025 Compliance Report Questions (1 January 2026)

AUSTRAC has [published](#) the full set of questions for the 2025 compliance report, due from reporting entities between 1 January and 31 March 2026. The report covers activities undertaken in the 2025 calendar year and applies to entities that provided designated services during that period.

TIP: A friendly reminder to all of True Oak's Intermediary Clients that you have until 31 March 2026 to submit your AUSTRAC Compliance Reports. Please reach out if you require assistance.



ATO

No specific updates for this report.

AFCA

No specific updates for this report.

CARBON MARKET INSTITUTE

No specific updates for this report.

OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER (OAIC)

7. OAIC Commences Privacy Sweep (1 January 2026)

The OAIC has started 2026 with its first-ever [compliance sweep](#), conducting a targeted review of selected businesses' privacy policies to ensure they meet strict rules.

The compliance sweep will scrutinise the privacy policies of businesses that collect information in person.

"In conducting a compliance sweep, the OAIC intends to ensure that entities are meeting their obligations to be transparent with consumers and customers about how they're using the personal information they collect in-person. We hope this will also catalyse some reflection about how robust entities' privacy practices are, and whether more can be done to improve compliance with the Privacy Act writ large."

Entities found to have non-compliant privacy policies may face compliance and infringement notices and penalties of up to \$66,000. Legislative changes to the Privacy Act passed by Parliament in 2024 expanded the possible regulatory consequences for infringements of certain foundational requirements of the Act. This includes the failure to have a privacy policy containing certain information.

The OAIC will review the privacy policies of approximately 60 entities from the following 6 sectors that may collect information in-person for compliance with requirements under APP 1.4:

- Rental and property – collection of individuals' personal information during property inspections.
- Chemists and pharmacists – collection of personal information for the purpose of providing a paperless receipt and collection of identity information to provide medication.
- Licenced venues – collection of identity information to enable individuals to access a venue.
- Car rental companies – collection of identity and other personal information to enable an individual to enter into a car rental agreement.
- Car dealerships – collection of personal information to enable an individual to conduct a vehicle test drive.
- Pawnbrokers and second-hand dealers – collection of identity information from individuals who wish to sell or pawn goods.

The target sectors have been selected noting the particular privacy risks associated with collection of personal information, particularly personal identification documents, and the privacy breaches that have occurred within these sectors. Target entities will be identified having regard to their size and location, as well as by reference to high profile and high-risk entities within each sector (including entities which may previously have been subject to a data breach).

Linked Article: [Privacy Compliance Sweep 2026: Is Your Business Ready?](#) (Legal Vision, 27 January 2026)

TIP: It's important to ensure that your privacy policy meets the requirements of Australian Privacy Principle (APP) 1.4, which sets out what a privacy policy must include. The OAIC has recently updated its APP 1 [guidance](#).

8. OAIC Publishes Report on Use of Automated Decision Making by Regulatory Agencies (21 January 2026)

The [OAIC](#) has conducted a desktop review of 23 government agencies' websites for transparency around automated decision-making (ADM), and published a report – *Automated Decision-making and Public Reporting under the Freedom of Information Act* – of its findings. The agencies were not disclosed, but the report is nevertheless applicable in the context of the financial services industry.

The review found that:

- all agencies were permitted to use ADM under the applicable legislation
- all agencies published Information Public Scheme ("IPS") information on their websites
- 17 per cent of agencies disclosed the use of ADM on their websites
- 9 per cent were identified as "likely to be using ADM" via external sources, but the use was not disclosed on the website
- 74 per cent of agencies did not disclose, and it could not be identified, that they use ADM.

Following the publication of the report, the Australian Information Commissioner, Elizabeth Tydd, said "Proactively publishing clear information about automated decision-making is essential to building trust and ensuring accountability. Through this Report we can encourage agencies to deliver greater community awareness and satisfaction about how government decisions are made".

TIP: In the coming years, the use of ADM is expected to increase. For example, AFCA already uses technology to support its decision-making processes (although it does not use it to make final determinations without human oversight). If you are concerned, look at the agencies' IPS and/or ask the agency about its use of ADM.

PROFESSIONAL DEVELOPMENT OPPORTUNITIES

Sophie Grace Compliance Videos

Consultancy [Sophie Grace](#) has released a number of compliance-based videos that can be purchased separately. Consider, in particular, [AFSL Wholesale Client Qualification](#) and [What Things Must Not Be On Your Website](#).

Carbon Market Institute Courses

- a. **Carbon Market Fundamentals Training:** e-learning course provides participants with an overview of the scientific and economic basis for carbon markets. More info [here](#).
- b. **Carbon Farming Banker Training:** This finance sector-focused module builds capacity and knowledge of carbon farming in Australia from the perspective of bankers and agri-lenders. More info [here](#).
- c. **Net Zero Transition Planning Program:** This transition planning education program introduces key concepts for organisations seeking to understand the role of net zero transition planning in private sector climate leadership. More info [here](#).

FINSIA Micro-Learning Courses

FINSIA provides a range of micro-learning courses, which you can investigate [here](#).

February 2026

- a. Climate Investor Forum – **Climate Investor Forum** (Melbourne – 17-18 February) – more info [here](#).
- b. Australian Investment Council – **Principles of Venture Capital** (Sydney – 23 February) – more info [here](#).
- c. Australian Investment Council – **Principles of Private Equity** (Sydney – 24 February) – more info [here](#).
- d. McCullough Robertson – **Funds Management Workshop** (Sydney – 25 February) – more info [here](#).
- e. McCullough Robertson – **Funds Management Workshop** (Brisbane – 26 February) – more info [here](#).
- f. Financial Standard – **2026 Economic Outlook** (Webinar – 26 February) – more info [here](#).

March 2026

- a. ACSI – **2026 ACSI Conference** (Sydney – 17 March) – more info [here](#).
- b. Carbon Market Institute – **Carbon Project Showcase Series: Tasmanian Forestry Carbon Projects** (Hobart – 18-20 March) – more info [here](#).
- c. Clean Energy Council – **WA Clean Energy Summit** (Perth – 24 March) – more info [here](#).
- d. Australian Investment Council – **Principles of ESG** (Sydney – 31 March) – more info [here](#).

May 2026

- a. Markets Group – **ALTSOZ26** (Melbourne – 7 May) – more info [here](#).
- b. Asia Investor Group on Climate Change – **Summit: Climate Investment in Asia** (Singapore – 18 May) – more info [here](#).
- c. Carbon Market Institute – **Carbon Farming Industry Forum 2026** (Fremantle – 20-21 May) – more info [here](#).

July 2026

- a. Clean Energy Council – **Australian Clean Energy Summit** (Sydney – 28-29 July) – more info [here](#).

September 2026

- a. Clean Energy Council – **Queensland Clean Energy Summit** (Brisbane – 9 September) – more info [here](#).

November 2026

- a. Investor Group on Climate Change – **Annual Summit** (Sydney – 24-25 November) – more info to come.

INTERESTING READS

Links to interesting blogs and articles I've recently read:

- a. [Australian climate policy actions – update](#) (Frontier Advisors, December 2025)
- b. [Systems Stewardship: Managing Interconnected Climate Risks for Lasting Value](#) (IGCC, 15 December 2025)

- c. [ACSI updates governance guidelines highlighting directors' critical role nationally](#) (Investor Daily, 20 January 2026)
- d. [Quantum resilience in 2026: How to prepare for the post-quantum world](#) (Allens Lawyers, 27 January 2026)

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