TRUE OAK INVESTMENTS

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 12 June – 6 July 2026.

Federal Government

1. Government Announces Regulators to Gain Infringement Notice Powers (29 June 2026)

The Federal Government has announced plans to give the ACCC and ASIC infringement notice powers for unfair contract term breaches.

The proposed changes would allow regulators to respond to certain breaches without court proceedings, following recommendations from the *Final Report of the Review of the Amended Unfair Contract Terms Protections*, tabled in June 2026. The proposed regime would sit alongside existing court-based enforcement options.

The measures build on November 2023 reforms that made unfair contract terms illegal and increased maximum penalties.

2. Company Registers to be Strengthened under New Transparency Laws (30 June 2026)

The Government has announced the passing of Treasury Laws Amendment (Business Registries Stabilisation and Uplift) Act 2026 (Cth). The Act enhances the Director Identification regime and updates corporate registers maintained by ASIC. From 1 July 2027, Director Identification Numbers will be linked to the ASIC Companies Register, making director identities easier to trace across entities. The reforms also update ASIC's registry powers to improve digital services, registry integrity and protections against misuse of registry data.

3. Government Reviews the Enhanced Regulatory Sandbox (1 July 2026)

The Federal Government has announced that it has tabled a review into the Enhanced Regulatory Sandbox.

The Enhanced Regulatory Sandbox lets eligible businesses test certain financial products and services without first obtaining a full ASIC licence.

The review looked at the role of regulatory sandboxes in supporting financial innovation in Australia, and specifically the design, operation and effectiveness of the ERS. The review also considered the broader environment for financial innovation in Australia, including examining the factors that support a healthy innovation ecosystem, the Australian regulatory environment and how the ERS can support broader Government objectives.

The Review made a total of 6 recommendations including more targeted use, clearer objectives and better alignment with national priorities and emerging technologies. The Government will consider the recommendations and provide a response later this year.

4. Government Tables Paper to Strengthen Integrity in Audit, Accounting and Consulting Firms (1 July 2026)

The Federal Government has announced that it has released a paper that sets out a range of options to strengthen accountability and lift standards right across the audit, accounting and consulting sectors.

These include:

a. Dealing with conflicts of interest in multidisciplinary firms with audit and non-audit functions, including firms advising government on the design of programs and legislation while also advising companies on how best to benefit from them.
b. Partnership reforms, including governance requirements for large audit firms and partnership limits for large accounting firms.
c. Requiring audit firms to meet quality management and ethical standards to be eligible for engagement by audited entities.
d. Improving audit surveillance.

Consultation is open until 12 August 2026.

Australian Securities and Investments Commission (ASIC)

Regulatory Guides, Consultation Papers and Legislative Instruments

5. ASIC Invites Feedback on Pre-Hedging Guidance (15 June 2026)

ASIC is seeking feedback on a proposed, new pre-hedging regulatory guide.

Consultation Paper 389 - Proposed Regulatory Guide on Pre-hedging (CP 389), provides draft guidance outlining ASIC's expectations for market participants engaging in pre-hedging and how existing legal obligations apply to the practice.

The proposed regulatory guide aligns with IOSCO's Final Report on Pre-Hedging and builds on ASIC's previous communications to industry (ASIC's guidance for market intermediaries on pre-hedging). It does not introduce new legal requirements.

The draft regulatory guide aims to:

- Clarify how existing obligations apply to pre-hedging activities
- Help market participants assess when pre-hedging is appropriate, and
- Highlight practices that help manage conduct risk and maintain market integrity.

The guidance is relevant to market participants that undertake pre-hedging in anticipation of client transactions. It also provides guidance on conduct that clients should expect of these entities.

ASIC is seeking industry feedback on the proposals in CP 389, including whether the final regulatory guide should include examples of observed better practices to support implementation. ASIC intends to publish the new regulatory guide in Q4 2026, after considering consultation process feedback.

Submissions for feedback close on 27 July 2026.

Letters to Industry, Speeches and Reports

6. ASIC Helps Strengthen the Fight Against Imposter Scams in Financial Services (17 June 2026)

ASIC has announced that it is making it easier to check if a website of an AFS licensee is legitimate.

Criminals are increasingly copying the names, licence numbers and websites of AFS licensees to create fake websites and publish investment scam advertisements.

ASIC is collecting and publishing website addresses of AFS licensees on its Professional Registers Search (PRS).

ASIC is urging every AFS licensee to participate and aims to have most AFS licensee website addresses added to the PRS within the coming months.

The website addresses are available on ASIC's PRS. The PRS shows:

- An AFS licensee's principal website and other websites (if provided)
- Whether an AFS licensee does not operate a website, and/or
- Whether an AFS licensee has not yet supplied their website addresses.

Website addresses for authorised representatives are not included in the initiative. However, AFS licensees may publish information on their own websites to help consumers verify the websites of their authorised representatives.

Consumers and businesses can search the PRS using an AFS licensee's name, ABN, ACN or AFS licence number and then check the 'Principal website' field and the 'Websites' section to confirm if a website address is genuine.

AFS licensees can voluntarily add their website addresses through the Regulatory Portal by submitting a Notify Change of Details of an Australian financial services licence transaction.

> TIP: True Oak has submitted the relevant form through the ASIC Regulatory Portal to have its website listed. As part of a website upgrade project that we are currently undertaking, we will consider options to feature links to our CAR websites to assist with consumer confidence.

7. ASIC Maps the Future of Financial Markets (30 June 2026)

ASIC's new report, Innovation in Financial Markets and Financial Market Infrastructure, explores how tokenisation, digital assets and AI are reshaping global financial markets. The report highlights growing momentum behind tokenised fixed-income assets and new market infrastructure that could ultimately change how super funds access, trade and settle investments.

8. ASIC Issues Reminder that Independent Expert Reports Should Explain Valuation Methodology (30 June 2026)

ASIC has reminded expert licensees that selecting an appropriate valuation methodology is critical. Independent expert reports (IERs) should clearly explain why the chosen methodology is appropriate in the circumstances and justify the key assumptions applied.

Regulatory Guide 111 – Content of Expert Reports (RG 111) does not prescribe the use of specific valuation methodologies. Experts should apply their skill and exercise professional judgment to select the most appropriate methodology (or methodologies) and must have a reasonable and supportable basis for their choice. IERs should explain why a methodology was adopted, why alternatives were not used or were given more or less weight, and clearly disclose material assumptions, limitations and uncertainties.

ASIC has recently reviewed a number of transactions where concerns were identified in relation to the expert's primary methodology selection and underlying valuation assumptions. In these cases, ASIC required revisions and enhanced disclosure, causing significant transaction delays.

Expert licensees should ensure that methodology selection and supporting rationale are robust and clearly articulated. Where selections are inappropriate or disclosure is insufficient, ASIC may require additional disclosure, or take regulatory action, resulting in transaction delays.

Infringement Notices and Court Proceedings

9. Federal Court Orders $35 Million Penalty against HSBC for Scam Protection Failures (18 June 2026)

ASIC has announced that the Federal Court has ordered HSBC Bank Australia Limited (HSBC) to pay a $35 million penalty, and to publish adverse publicity orders on its website, its app and in letters to impacted customers, after the bank admitted to serious failures in protecting customers from scams.

ASIC commenced civil penalty proceedings against HSBC Bank Australia Limited in December 2024 concerning payments which were determined to be 'unauthorised transactions' as defined in the ePayments Code, which is administered by ASIC. The case is one of the first of its kind globally and reinforces the core responsibility of banks to protect their customers from scams.

HSBC admitted to failures in relation to the ePayments Code because it took too long to investigate customer scam reports – 144 days on average – and it did not apply rules in the Code for determining when customers or the bank should bear the losses from scams. HSBC also admitted that it did not have adequate systems in place to help customers get back into their banking after they had been scammed.

The Court held that HSBC's failures in respect of the ePayments code were widespread and systemic.

HSBC has admitted some impacted customers found the process of dealing with HSBC stressful and frustrating and the Court held that those feelings were worsened by the failure to comply with the timeline set out in the ePayments code.

Following ASIC's investigation, HSBC has established a large-scale remediation program that, to date, has paid around $21.5 million in compensation, with further payments to come before the end of July 2026. HSBC has also recovered $6.5 million and returned those funds to customers.

Australian Taxation Office (ATO)

No relevant updates for this report.

Australian Transactions and Reports Analysis Centre (AUSTRAC)

10. AUSTRAC Launches Expanded AML/CTF Education Platform (30 June 2026)

AUSTRAC has launched an expanded education platform for AML/CTF obligations.

The platform consolidates e-learning, webinars, videos and guidance for existing and newly regulated entities. Users can register, track training, access recordings and receive completion certificates. AUSTRAC has also released quick guides and staff resources, with further updates expected as reforms roll out.

11. AUSTRAC Announces New Reporting Forms Now Live (30 June 2026)

AUSTRAC has announced that from 1 July, updated threshold transaction report and suspicious matter report forms will be available in AUSTRAC Online.

AUSTRAC has published a range of resources to help with understanding and use of the new forms:

- AUSTRAC Online user guides
- quick reference guides
- guidance and factsheets on reporting obligations.

Existing reporting entities may use current forms until 30 March 2029. Other reporting obligations are unchanged.

12. AUSTRAC Releases Legal Professional Privilege Forms (1 July 2026)

The process and forms for claiming legal professional privilege in relation to notices, requests for information and reporting obligations have been released by AUSTRAC.

There are two separate forms, depending on the obligation:

- *LPP form (reporting obligation)* for suspicious matter reports (SMRs) and threshold transaction reports (TTRs)
- *LPP form (responding notice)* for notices and requests for information.

For SMRs, the LPP form must be submitted in lieu of the withheld information. If all the information which forms the grounds for suspicion for the SMR is subject to LPP, then an LPP form does not need to be submitted.

For TTRs, the LPP form must be submitted for the information that would otherwise be included in the TTR and submitted at the same time as the TTR.

LPP forms for SMRs and TTRs must be submitted through AUSTRAC Online.

LPP forms for notices and requests for information must be submitted by email to lpp.forms@austrac.gov.au.

The timeframe to submit an LPP form will depend on the obligation:

- SMR relating to terrorism financing – 24 hours
- SMR in all other cases – 5 business days after the suspicion is formed
- TTR – within 10 days, or
- notice or request to produce information – timeframe stated in the notice or request.

TIP: The *Legal Professional Privilege Guideline 2026* will set out how AUSTRAC will review LPP claims, including how it may review or challenge a claim. The Department of Home Affairs and AUSTRAC are currently finalising the guidelines. Review the final guidelines once released to understand how LPP claims will operate in practice.

13. AUSTRAC Annual Compliance Report Moving to a Financial Year Reporting Cycle (1 July 2026)

The AUSTRAC annual compliance reporting period is changing from a calendar year to financial year. The next reporting period will be 1 July 2026 to 30 June 2027, and compliance reports will need to be submitted between 1 July and 30 September each year.

TIP: For AUSTRAC Reporting Entities, please update your AML/CTF Compliance Program and compliance calendars accordingly.

Australian Financial Complaints Authority (AFCA)

No relevant updates for this report.

Clean Energy Council

No relevant updates for this report.

Department of Climate Change, Energy, the Environment and Water (DCCEEW)

14. New ACCU Scheme Method Announced (26 June 2026)

The Australian Government has made the Improved Forest Management in Multiple-use Public Native Forests (INFM) method. The method allows projects to earn carbon credits under the Australian Carbon Credit Unit (ACCU) Scheme.

The INFM method allows state governments to earn ACCUs by ceasing planned harvesting in defined areas of multiple-use public native forests that would otherwise be used for commercial forestry.

The benefits of the INFM method include:

- Increasing carbon stored in native forests by allowing them to grow beyond harvesting age.
- Avoiding emissions from timber harvesting and associated activities such as post-harvest burning.
- Protecting habitat and enhancing biodiversity outcomes.

The method sets out a number of features to ensure estimates of the amount of carbon stored by a project are conservative, including provisions to account for carbon leakage (where emissions shift by increasing harvesting elsewhere).

15. Australia's New Environment Regulator Commences (1 July 2026)

The DCCEEW has announced the commencement of Australia's new independent environmental regulator – The National Environmental Protection Agency (National EPA).

The National EPA will:

- monitor compliance with Australia's environmental laws
- take action when laws are broken
- support efficient project assessments and approvals.

The National EPA forms part of reforms to Australia's national environmental law. Remaining reforms will start on or before 1 December 2026.

16. Nature Repair Committee Consultation (1 July 2026)

The DCCEEW has announced that the Nature Repair Committee is seeking feedback on the next method for the Nature Repair Market, specifically if the proposed Enhancing Native Vegetation method meets the biodiversity integrity standards.

Consultation is open until 29 July 2026.

Carbon Mark Institute (CMI)

17. CMI Signals Priorities for Safeguard Mechanism Review (24 June 2026)

The CMI has published a Policy Brief that outlines key topics CMI considers should be prioritised for review and consultation in the Australian Government's forthcoming 2026-27 Review of the Safeguard Mechanism (2026-27 Review), that is anticipated to commence in July.

CMI's Policy Brief outlines 4 priorities for further investigation and consultation as part of the 2026-27 Review:

a. Consider lowering the current covered emissions threshold for facilities below 100,000 t CO2-e per annum.
b. Identify opportunities to better enable on-site abatement through design settings, while preserving compliance pathways.
c. Clarify policy measures to mitigate the risk of carbon leakage within the Safeguard Mechanism and through complementary policies.
d. Clarify the post 2030 baseline decline rate, for covered facilities to support continued investment certainty for industry.

These priorities were developed in consultation with CMI's Safeguard Mechanism Taskforce and broader membership.

The Safeguard Mechanism is administered by the CER under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). It puts a limit on an individual facility's net emissions within a given reporting period. Under current settings, baselines for each facility decline at a flat, linear rate of 4.9% annually from 2023-24 to 2029-30. The decline rate for 2030-31 onwards is yet to be determined but baselines will ultimately decline to net zero in 2049-50.

Facilities can also purchase unlimited Australian Carbon Credit Units (ACCUs) or Safeguard Mechanism Credits (SMCs) to cover required emission reductions not achieved on-site.

Investor Group on Climate Change (IGCC)

18. IGCC Releases New Resource on Just Adaption for Institutional Investors (9 June 2026)

The IGCC resource helps investors understand and respond to the social dimensions of climate adaptation.

Just adaptation refers to reducing physical risks without shifting those risks onto other people, communities, or future generations, and considering the impacts of both action and inaction.

This paper provides a practical starting point by:

- Introducing the concept of just adaptation and its relevance to investors
- Identifying how adaptation decisions can create or exacerbate social and financial risks
- Outlining how investors can begin to integrate just adaptation into investment processes, stewardship and policy engagement

The report also highlights sectors where just adaptation is particularly critical, including infrastructure, energy, transport, housing, and essential services that underpin community wellbeing.

The paper identifies four priority areas for action:

- Integrate just adaptation into investment decision-making, including risk management and due diligence
- Advocate for policy that embeds just adaptation and avoids maladaptation

- Support equitable financing models, including mechanisms that enable investment in underserved communities
- Engage companies to ensure adaptation decisions consider impacts on workers and communities

19. IGCC Releases State of Net Zero Investment 2026 (18 June 2026)

The State of Net Zero 2026 is IGCC's ninth annual survey of Australian institutional investor climate practice.

The 2026 edition draws on responses from 55 investors, including 21 major asset owners and 34 asset managers, collectively managing approximately A$3.5 trillion.

The report tracks investor behaviour across commitments and disclosures, governance, corporate stewardship, and policy engagement, and covers key climate themes, including the energy transition, climate solutions, fossil fuel risks, adaptation and resilience, and regional decarbonisation.

Office of the Australian Information Commissioner (OAIC)

20. OAIC Orders AMEX to Compensate Complainant Following Interference in Privacy (15 June 2026)

The OAIC has found that American Express Australia Ltd interfered with a complainant's privacy under the *Privacy Act 1988*, by failing to take such steps as were reasonable in the circumstances to protect the complainant's personal information from unauthorised access, in breach of Australian Privacy Principle 11.1.

The complainant had a personal relationship with an employee of AMEX that had broken down. The OAIC found that, both during the relationship and after its breakdown, the employee accessed, used and disclosed the complainant's credit card transaction information outside of legitimate business purposes.

The OAIC found that the risk that employees may seek access to personal information on their employer's systems for improper purposes (including financial fraud, domestic and family violence, or political, military or corporate espionage) is a real one. The risk is heightened in sectors such as the financial services sector that store large volumes of personal information. The OAIC's investigation found that AMEX had failed to adequately mitigate these risks.

The OAIC was of the view that there were steps that AMEX could reasonably have taken to protect the personal information it held from insider security risks and, in particular, the risk of unauthorised access by employees, such as:

- uniform account-level access logging across all relevant systems
- restricting access to certain customer records
- implementing "just in time" access
- prohibiting employee access to the customer accounts of their friends and family.

As a result of the finding, AMEX must:

- Pay the complainant specified amounts for economic loss, for non-economic loss caused by the interference with the complainant's privacy, and for reimbursement of expenses the complainant incurred making the complaint.
- Issue a written apology to the complainant, acknowledging its interference with the complainant's privacy.
- Implement technical controls across the relevant systems, to enable AMEX to restrict employee access to specific customer information, including to protect the personal information of vulnerable or high-profile customers.
- Implement account-level access and action logging across relevant systems to create time-stamped log entries when an employee accesses or takes action on a customer's records.

TIP: This determination is a timely reminder that the biggest security risks are often insiders within your organisation. Ensure that you have identified information access risks of this nature and implemented controls to restrict access to customer information on a "need to know" basis.

21. OAIC Releases Report Showing Data Breach Notifications Increase to All-Time High in 2025 (6 July 2026)

Newly published statistics reveal that 2025 saw the highest number of data breach notification being reported to the OAIC since the mandatory data breach reporting scheme commenced in 2018. The OAIC received 1,205 data breach notifications in the 2025 calendar year, representing an 8% increase over 2024 (1,112 notifications).

Cyber hacking remains the primary cause of data breaches reported to the OAIC. Of the 1,205 data breaches notified in 2025, the majority were attributable to malicious or criminal activity (716 notifications), with health service providers the most commonly affected, and accounting for 19% of the total or 225 notifications. Financial services (157 notifications), the Australian Government (118 notifications), business and professional associations (103 notifications), education (81 notifications) and legal, accounting and management services (81 notifications) followed, ranking as the top 5 sectors by volume for data breach notifications.

Acknowledging the growing number of entities reporting under the scheme, OAIC has published a new Quick Reference Guide for entities with obligations under the Notifiable Data Breaches (NDB) scheme. This practical guide outlines the scheme's requirements, helping to determine whether an assessment is required, whether to notify the OAIC and affected individuals, and how to do so. This tool is available both as an interactive webpage, and as a downloadable interactive checklist.

TIP: We encourage you to become familiar with the Quick Reference Guide as it provides an excellent overview of what a data breach is, and what to do if you experience one.

Council of Financial Regulators (CFR)

22. CFR Issues Quarterly Statement (23 June 2026)

The CFR is the main coordinating body for Australia's financial regulators (APRA, ASIC, and RBA).

At its meeting for the June quarter, the CRR concluded:

- The Australian financial system has remained resilient, but international risks are elevated
- Geopolitical risks are elevated
- Frontier AI is compounding a more fraught environment for operational risk

Australian Communications and Media Authority (ACMA)

23. SMS Sender ID Register Goes Live (1 July 2026)

ACMA has announced that the new SMS Sender ID Register has commenced.

SMS messages sent using registered Sender IDs will continue to appear with the business or organisation's name. SMS messages sent using unregistered Sender IDs must be labelled by the telco carrier as 'Unverified'. These will be grouped in a single message thread, making it easier for consumers to identify potential scams.

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.

August 2026

a. Australian Investment Council / AICD – **Foundations of Directorship** (Sydney – 7, 14, 21 August) – more info here.

b. Association of Superannuation Funds of Australia – **Investment Summit** (Sydney – 27 August) – more info here.

c. Carbon Market Institute – **4th Singapore Carbon Market and Investor Forum** (Singapore – 27 August) – more info here.

September 2026

a. Carbon Market Institute - **Net Zero Best Practice Masterclass** (Sydney and Melbourne – Dates TBC) – more info here.

b. Clean Energy Council – **Queensland Clean Energy Summit** (Brisbane – 9 September) – more info here.

October 2026

a. Carbon Markets Institute – **Australasian Emission Reduction Summit 2026** (Adelaide – 20-21 October) – more info here.

b. Markets Group – **5th Annual Private Wealth Melbourne Forum** (Melbourne – 21 October) – more info here.

c. Clean Energy Council – **All Energy Australia** (Melbourne – 28-29 October)- more info here.

November 2026

a. ASIC – **Annual Forum** (Sydney – 17-18 November) – more info here.

b. Investor Group on Climate Change – **Annual Summit** (Sydney – 24-25 November) – more info here.

February 2027

a. Climate Investor Forum – **5th Climate Investor Forum** (Melbourne – 23-24 February) – more info [here](#).

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