FinTech Australia

Reducing barriers to business dynamism inquiry

July 2026

About this Submission

This document was created by FinTech Australia in consultation with its members.

In developing this submission, interested members of the industry participated in meetings to discuss key issues and provided feedback to inform our response to the Productivity Commission's inquiry into reducing barriers to business dynamism in Australia.

About FinTech Australia

FinTech Australia is the peak industry body representing the Australian financial technology sector, with a membership of more than 400 companies and startups nationwide. Our members span the full breadth of the fintech ecosystem, including payments, consumer and business lending, artificial intelligence, wealthtech, regtech, neobanking, open banking, digital assets, distributed ledger technologies, DeFi, and Web3. The fintech industry delivers a wide range of business-to-business and business-to-consumer financial products and services that support the smooth operation of the Australian economy.

Our vision is to position Australia as one of the world's leading markets for fintech innovation and investment. This submission has been compiled by FinTech Australia and its members in an effort to advance public debate and drive cultural, policy and regulatory change toward realising this vision, for the benefit of the Australian public.

FinTech Australia would like to recognise the support of our policy partners, who assist in the development of our submissions:

- Allens;
- Ashurst Perkins Coie;
- DLA Piper;
- Gadens;
- Mallesons; and
- K&L Gates.

Executive Summary

FinTech Australia welcomes the Productivity Commission's inquiry. The ability of businesses to enter, grow, restructure and exit efficiently is important to Australia's productivity, competition and capacity for innovation.

Many fintechs are young or growing businesses that depend on access to capital, banking services, data, payments infrastructure and workable regulatory pathways. Where access to these inputs is uncertain, costly or unnecessarily complex, it can delay market entry, discourage investment and constrain growth.

This submission focuses on six areas:

1. the development of practical business consent arrangements under the Consumer Data Right;
2. access to banking services for fintech businesses and the need for clearer, risk-based regulatory guidance;
3. uncertainty about whether technology-led fintech businesses qualify for investment through the VCLP and ESVCLP regimes;
4. clearer and more practical pathways to direct NPP participation for appropriately regulated non-bank payment service providers;
5. reform of the Enhanced Regulatory Sandbox in line with the independent review's recommendations; and
6. the effect of insolvency settings and personal guarantees on business recovery and entrepreneurial risk-taking.

Although these issues arise under different regulatory and institutional frameworks, each can increase operating costs, restrict access to capital or infrastructure and make it more difficult for new firms to compete and grow.

FinTech Australia supports reforms that maintain strong consumer protection, financial crime controls and financial system resilience, while ensuring regulatory requirements are clear, proportionate and supportive of competition and market entry.

The recommendations in this submission are intended to reduce avoidable barriers for fintechs seeking to enter the market, attract investment and scale in Australia.

List of recommendations

FinTech Australia's recommendations to the Productivity Commission are set out below.

CONSUMER DATA RIGHT - Improve the Consumer Data Right for business consumers

1. **Prioritise the development and implementation of business consent arrangements** under the CDR to enable practical SME data-sharing use cases, particularly in lending, cash-flow management and related financial services.

DE-BANKING - Improve regulatory guidance and prevent new de-banking pressures

2. **Strengthen and operationalise AUSTRAC's guidance for financial institutions providing services to customers assessed as presenting higher risk**. The guidance should uplift AML/CTF practices by promoting customer-specific assessments, recognising effective regulatory and compliance controls, promoting greater consistency between institutions, and giving weight to alternative proportionate risk mitigation or remediation measures before resorting to customer de-banking.
3. **Assess whether regulated payment providers can obtain and maintain the banking arrangements** needed to meet their safeguarding and operational obligations under the payment service provider licensing framework, and address any material barriers identified.

VCLP AND ESVCLP REGIMES - Improve access to growth capital and reduce cumulative regulatory burden

4. **Consider the eligible venture capital investment rules and their administration** to provide greater certainty that genuine, technology-led fintech businesses can qualify for investment through VCLPs and ESVCLPs. This should include clearer guidance and practical examples, timely processes for determining eligibility, and proportionate treatment where an investee business's activities change over time.

PAYMENTS INFRASTRUCTURE - Support broader and proportionate access to shared payments infrastructure

5. **Use the A2A Payments Roundtable vision and roadmap process to improve transparency** around direct NPP access arrangements and streamline access pathways for appropriately regulated non-bank payment service providers.

INNOVATION ECOSYSTEM – Reform the Enhanced Regulatory Sandbox and examine safe harbour provision and small business restructuring pathway

6. **Support timely implementation of the recommendations of the *Independent Review of the Enhanced Regulatory Sandbox***, including reforming the ERS to broaden its scope, improve its flexibility, strengthen its integration with ASIC's licensing and supervision functions, and provide participants with a clearer pathway to licensing.

7. **Examine whether the insolvency safe harbour provisions and small business restructuring pathway** appropriately support entrepreneurial risk-taking and business recovery, while maintaining suitable protections for creditors and other stakeholders.

1. Detailed Responses

1.1 Consumer Data Right: Business Consent Arrangements

The Consumer Data Right (CDR) has the potential to improve competition, innovation and productivity by enabling consumers and businesses to share data securely with accredited third parties. For fintechs, access to customer-authorised data can support a range of services, including lending, cash-flow management, accounting integrations and financial product comparison.

While the CDR framework has matured for individual consumers, business consent arrangements remain underdeveloped. In particular, there is not yet a practical and widely adopted mechanism for authorised representatives of a business to consent to the sharing of business financial data through the CDR.

How this creates barriers to entry and expansion

Many fintech services aimed at small and medium-sized enterprises (SMEs) rely on timely access to financial data. Where business customers cannot readily share that data through the CDR, fintechs must rely on alternative approaches such as manual document collection, direct integrations or screen scraping.

These workarounds can increase costs, reduce efficiency and create additional friction for both fintechs and their customers. They may also limit the ability of smaller and newer entrants to compete with established providers that have existing customer relationships or proprietary data access arrangements.

The absence of practical business consent arrangements therefore constrains the development of CDR-enabled products and services for SMEs and reduces the competitive benefits that the framework is intended to deliver.

FinTech Australia's position

FinTech Australia supports the development of practical business consent arrangements as a priority. We note that Treasury and the Data Standards Body are already considering broader issues relating to the future development of the CDR framework and standards.

Accordingly, this submission does not seek to revisit those processes. Rather, we encourage the Commission to recognise that the absence of workable business consent arrangements remains a practical barrier to competition, innovation and growth in SME-focused financial services.

FinTech Australia recommends:

- **[Rec 1]** Prioritise the development and implementation of business consent arrangements under the CDR to enable practical SME data-sharing use cases, particularly in lending, cash-flow management and related financial services.

1.2 Access to banking services for fintech businesses

De-banking occurs where an authorised deposit-taking institution (ADI) declines to provide, restricts or withdraws banking services from a customer. Relevant services may include transaction and settlement accounts, merchant facilities and correspondent banking arrangements.

FinTech Australia members continue to report difficulties obtaining and maintaining these services. The issue is particularly significant for payment providers, remittance businesses, digital asset businesses and other fintechs operating in sectors perceived as presenting elevated financial crime risks.

Access to banking services is necessary for the operation of these businesses. The loss of a transaction or settlement account can affect a firm's ability to receive and transfer funds, pay employees and suppliers, meet safeguarding obligations and continue serving customers. For some payment providers, the withdrawal of banking facilities may prevent the business from continuing to operate.

Under proposed reforms to the regulation of payment service providers[1], payment firms will be required to safeguard customer funds by holding them with Authorised Deposit-taking Institutions. While FinTech Australia supports these safeguarding requirements, certain payment providers may be required to safeguard customer funds through arrangements involving authorised deposit-taking institutions. Where a provider cannot obtain or maintain the necessary banking arrangements, it may be unable to meet its regulatory obligations or continue operating. Given the central role these accounts play in the payments ecosystem, de-banking poses a potentially existential risk to many

[1] Australian Government, Department of the Treasury, *Regulation of Payment Service Providers – Tranche 1 Draft Legislation* (consultation, 12 March 2026), https://consult.treasury.gov.au/c2026-746108.

payment businesses and has the potential to undermine the effectiveness of the broader regulatory framework.

How this creates barriers to entry and expansion

Members report that banking assessments may place significant weight on the sector in which a business operates, without sufficient consideration of the individual firm's regulatory status, governance arrangements, compliance capabilities and risk controls.

Members also report significant differences in how financial institutions assess fintech businesses with broadly comparable risk profiles and compliance arrangements. This makes it difficult for businesses to anticipate the information, controls and resources required to obtain banking services. It can also increase the cost of seeking alternative arrangements and create uncertainty for firms considering investment or expansion.

FinTech Australia recognises that elevated sector risk may warrant enhanced due diligence and closer monitoring. However, sector risk should not replace an assessment of the individual customer, its controls and the measures available to manage the identified risks.

Difficulties obtaining banking services can increase onboarding and compliance costs, delay market entry and constrain expansion. The consequences are particularly significant for payment and remittance providers, which rely on operating, settlement and safeguarding accounts to provide their services.

This issue may become more significant under the proposed payment service provider licensing framework. Where a regulated provider must maintain arrangements with an ADI to safeguard customer funds, access to banking services becomes a practical requirement for regulatory compliance and continued operation.

FinTech Australia's position

FinTech Australia considers that AUSTRAC's guidance should provide clearer and more practical direction to financial institutions providing services to customers assessed as presenting higher risk.

The guidance should reinforce that elevated sector risk may justify enhanced due diligence, but should not replace an assessment of the individual customer. It should also encourage financial institutions to give appropriate weight to a customer's regulatory status, governance arrangements, compliance controls and demonstrated risk-management capabilities.

Where concerns are identified, financial institutions should consider whether the risks can be managed through additional information, enhanced monitoring, proportionate restrictions or remediation before services are withdrawn. This would not require financial institutions to accept risks outside their risk appetite or prevent them from acting where required by law. It would support greater consistency and reduce avoidable disruption where identified risks can reasonably be managed.

The proposed payment service provider licensing framework also creates a need to consider access to banking services more closely. If payment providers are required to hold safeguarded customer funds with authorised deposit-taking institutions, the ability to obtain and maintain suitable banking arrangements will become a practical requirement for regulatory compliance and continued operation.

FinTech Australia recommends:

- **[Rec 2]** Strengthen and operationalise AUSTRAC's guidance for financial institutions providing services to customers assessed as presenting higher risk. The guidance should uplift AML/CTF practices by promoting customer-specific assessments, recognising effective regulatory and compliance controls, promoting greater consistency between institutions, and giving weight to alternative proportionate risk mitigation or remediation measures before resorting to customer de-banking.
- **[Rec 3]** Assess whether regulated payment providers can obtain and maintain the banking arrangements needed to meet their safeguarding and operational obligations under the payment service provider licensing framework, and address any material barriers identified.

1.3 Venture capital vehicles

Access to patient, risk-tolerant capital is central to business dynamism. Innovative and high-growth businesses, including fintechs, require capital at each stage of development, from initial product development through to commercialisation, growth and international expansion.

The fintech sector is already a significant contributor to the Australian economy. Deloitte estimates that the sector directly employs approximately 50,200 full-time equivalent workers and supports approximately 109,200 jobs in total, including employment in upstream supply chains[2]. Maintaining access to growth capital will be important if Australia is to retain and expand this economic contribution.

Venture Capital Limited Partnerships (VCLPs) and Early Stage Venture Capital Limited Partnerships (ESVCLPs) are tax-advantaged investment structures intended to support investment in innovative Australian businesses. Their effectiveness depends not only on the amount that can be invested, but also on whether businesses can qualify as eligible venture capital investments.

For fintech businesses, uncertainty can arise where a technology-led business also undertakes activities connected with finance or insurance. This can make it difficult for fund managers and investee businesses to determine whether an investment will qualify under the VCLP and ESVCLP regimes.

Uncertainty about eligibility can discourage investment, increase legal and due diligence costs and delay capital raising. It can also create ongoing risk for funds and investee businesses where a fintech's activities or business model develop over time.

Uncertainty regarding eligible venture capital investments

VCLPs and ESVCLPs are required to invest in eligible venture capital investments. The eligibility rules generally restrict investment in businesses whose predominant activities include banking, providing capital, leasing, factoring, securitisation and insurance.

Legislative amendments introduced in 2018 were intended to allow early-stage fintech businesses undertaking finance or insurance activities to qualify for venture capital investment. Despite those amendments, the eligibility rules continue to create uncertainty for fintech business models in practice.

Fintechs frequently combine technology development with regulated financial activities. A payments platform, digital lender, insurtech business or financial infrastructure provider may develop proprietary technology while also undertaking activities that fall within broadly defined finance or insurance categories. This can make it difficult for funds and investee businesses to determine with confidence whether a particular fintech qualifies as an eligible venture capital investment.

[2] Deloitte (2026), *The Impact of FinTech on Australia's Economy* (prepared for FinTech Australia).

The ongoing nature of the eligibility requirements adds to this uncertainty. A fund must consider not only whether a fintech qualifies when the initial investment is made, but also whether subsequent changes to its products, activities or business model could affect its eligibility. An adverse determination may lead to divestment requirements and create risks for the fund's registration and associated tax treatment.

This uncertainty can deter investment in fintech businesses even where they are innovative, technology-led and consistent with the policy objectives of the VCLP and ESVCLP regimes. It increases legal and due diligence costs, can delay capital raising and introduces regulatory risk that is unrelated to the commercial merits of the investment.

How this creates barriers to entry and expansion

While the policy settings were amended in 2018 to facilitate venture capital investment in fintech businesses[3], uncertainty about eligible venture capital investment status remains.

This uncertainty can discourage fund managers from considering fintech investments, increase legal and due diligence costs, delay investment decisions and create ongoing compliance risk after an investment has been made. These effects are particularly significant during time-sensitive capital raises, where delays or uncertainty can affect a business's ability to continue developing its products, enter new markets or expand its operations.

The risk is not confined to the initial investment decision. Funds must also consider whether changes to a fintech's products, activities or business model could affect its eligibility over time. This can make technology-led fintech businesses less attractive to VCLPs and ESVCLPs than businesses whose eligibility is more straightforward.

Foreign investment remains an important source of capital for Australia's fintech sector. However, unnecessary uncertainty in the domestic venture capital framework can increase reliance on offshore funding and make it more difficult for Australian fintechs to raise and retain capital domestically.

These issues are directly relevant to the Commission's consideration of capital market barriers. The eligibility rules should provide sufficient clarity for funds to invest in genuine, technology-led fintech businesses with confidence.

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[3] Treasury Laws Amendment (Tax Integrity and Other Measures) Act 2018 (Cth) sch 3; Explanatory Memorandum, Treasury Laws Amendment (Tax Integrity and Other Measures) Bill 2018 (Cth).

FinTech Australia's position

The VCLP and ESVCLP regimes will not operate effectively for fintech businesses unless the eligible venture capital investment rules provide sufficient certainty for funds and investee businesses.

The eligibility framework should distinguish genuine, technology-led fintech businesses from the traditional finance and insurance activities that the exclusions were intended to capture. It should also provide greater certainty where a fintech's products, activities or business model change as the business grows.

Clearer guidance and practical examples would reduce unnecessary legal and due diligence costs and give fund managers greater confidence to invest in fintech businesses that are consistent with the policy objectives of the regimes.

FinTech Australia recommends:

- **[Rec 4]** Consider the eligible venture capital investment rules and their administration to provide greater certainty that genuine, technology-led fintech businesses can qualify for investment through VCLPs and ESVCLPs. This should include clearer guidance and practical examples, timely processes for determining eligibility, and proportionate treatment where an investee business's activities change over time**.**

1.4 Account to account payments infrastructure

Australian Payments Plus (AP+) operates important parts of Australia's shared payments infrastructure, including the New Payments Platform (NPP), BPAY and eftpos. These systems play an important role in supporting secure, reliable and innovative payment services across the Australian economy.

FinTech Australia has a positive working relationship with AP+ and recognises the importance of balancing competition and innovation with the security, resilience and integrity of national payments infrastructure. We also recognise the investment AP+ and its participants have made in developing services such as PayID and PayTo.

As Australia's payments market continues to evolve, there is an opportunity for AP+, government, regulators and industry to work together to support participation by a broader range of appropriately regulated payment service providers.

The ongoing A2A Payments Roundtable process[4], including the development of the A2A Vision Statement and associated roadmap, provides an appropriate forum to progress this work. The process should prioritise greater transparency around direct access arrangements, including eligibility criteria, technical and operational requirements, costs and expected onboarding timeframes. It should also consider opportunities to streamline access processes for appropriately regulated non-bank providers, while maintaining the safety, resilience and integrity of the payments system.

Access pathways for non-ADI payment providers

Direct access to real-time payment capabilities is an important functionality for fintechs seeking to develop new and competitive payment services. Non-ADI providers can access the NPP through direct and indirect arrangements, including through existing NPP participants.

Indirect access arrangements provide an appropriate pathway for many businesses. However, some FinTech Australia members would prefer to have direct access, however they have identified practical challenges relating to cost, technical requirements, implementation timeframes and reliance on third-party access providers.

FinTech Australia considers that continued engagement between AP+, Treasury, the RBA and industry would help identify opportunities to make access pathways clearer and more practical for appropriately regulated non-ADI providers.

This could include greater transparency regarding:

- the different access options available
- eligibility and technical requirements
- expected implementation processes and timeframes
- the allocation of operational and compliance responsibilities
- the interaction between NPP access and the proposed payment service provider licensing framework.

[4] Australian Payments Plus, 'Account-to-Account Payments Roundtable' (2 June 2026), https://www.auspayplus.com.au/account-to-account-payments-roundtable; Reserve Bank of Australia, 'Roundtable Opens Public Consultation on Draft Vision for Account-to-Account Payments in Australia' (30 April 2026), https://www.rba.gov.au/media-releases/2026/mr-26-11.html.

FinTech Australia recognises that access arrangements will appropriately vary according to a provider's activities, capabilities and risk profile. A proportionate and staged approach may support broader participation by smaller and emerging providers while continuing to protect the safety, resilience and integrity of the system.

Direct NPP access arrangements

FinTech Australia members have identified a need for clearer and more practical pathways to direct participation in the NPP. Prospective participants need sufficient information to assess eligibility criteria, technical and operational requirements, financial requirements, fees and likely onboarding timeframes before committing resources to an application.

Greater transparency would reduce uncertainty and assist appropriately regulated non-bank payment service providers to determine whether direct participation is commercially and operationally feasible.

There is also scope to streamline direct access processes. Any changes should preserve the safety, resilience and integrity of the NPP. However, requirements and processes should be proportionate to the activities, capabilities and risk profile of the prospective participant and should not impose unnecessary barriers to participation.

The ongoing A2A Payments Roundtable process provides an appropriate forum to progress this work through the A2A Vision Statement and associated roadmap.

FinTech Australia recommends:

- **[Rec 5]** Use the A2A Payments Roundtable vision and roadmap process to improve transparency around direct NPP access arrangements and streamline access pathways for appropriately regulated non-bank payment service providers.

Proportionate regulation of non-bank payment and foreign exchange providers

Specialist payment and foreign exchange providers can assist SMEs to establish and expand cross-border operations by offering alternatives to traditional banking arrangements. These services may reduce operational complexity, improve price transparency and allow businesses to select providers suited to their particular payment and foreign exchange needs.

In considering reforms affecting payments businesses, it is important to distinguish between deposit-taking institutions and non-bank providers that do not accept deposits or undertake the same prudential risks as banks. Applying equivalent prudential or operational requirements across materially different business models could increase fixed compliance costs and create unnecessary barriers to entry, without a corresponding benefit to consumers or the financial system.

FinTech Australia supports a proportionate and risk-based approach under which regulatory obligations are calibrated to the activities undertaken and the risks created by each business model. This would preserve appropriate consumer, financial crime and operational safeguards while maintaining scope for specialist providers to support SME formation, growth and international expansion.

The Commission may also wish to consider the likely competition effects of reforms affecting SME payments and cross-border services. Requirements that impose substantial fixed compliance or technology costs across all providers may be more readily absorbed by large institutions and could reduce the range of services available to smaller and growing businesses.

1.5 Innovation ecosystem: supporting market entry and business recovery

Australia's innovation ecosystem depends on regulatory settings that allow new businesses to test innovative products, enter the market and recover in an orderly way where a venture does not succeed. Two issues relevant to the fintech sector are the operation of the Enhanced Regulatory Sandbox and the treatment of entrepreneurial risk and business failure.

Enhanced Regulatory Sandbox

Australia's Enhanced Regulatory Sandbox (ERS) is intended to allow eligible businesses to test certain innovative financial products and services without first obtaining a full Australian financial services licence or Australian credit licence.

In practice, however, the ERS has not provided a sufficiently practical or commercially meaningful pathway for many fintech businesses. Participation does not necessarily reduce time to market, regulatory uncertainty or duplication in subsequent licensing processes. As a result, businesses may choose to proceed directly to licensing or use alternative arrangements rather than participate in the sandbox.

The May 2026 *Independent Review of the Enhanced Regulatory Sandbox*[5] found that the ERS has provided some benefits by allowing early-stage firms to test the viability of innovative products. However, it also identified significant limitations in the design and operation of the framework.

In particular, the review found that the ERS does not generally reduce the time required to obtain a licence, is not adequately integrated with ASIC's licensing and supervision functions, and does not provide participants with a structured pathway from testing to authorisation. Its scope and eligibility requirements can also limit its usefulness for certain products, business models and already licensed entities.

The review recommended that the ERS be retained but reformed to broaden its scope and improve its flexibility. It also recommended clearer objectives, stronger integration with ASIC's broader regulatory functions, more proactive support for participants, improved monitoring of outcomes and a clearer pathway to licensing.

These findings are consistent with concerns previously raised by FinTech Australia. We support reforming the ERS so that it provides:

- clearer and more flexible eligibility and testing arrangements;
- safeguards calibrated to the activities and risks being tested;
- structured and proportionate regulatory engagement during testing;
- stronger integration with ASIC's licensing and supervision functions;
- a clearer pathway from testing to licensing; and
- appropriate recognition of evidence and regulatory learnings generated during participation.

The independent review also recognised that sandbox reform should form part of a broader approach to financial innovation. It recommended the development of a national financial innovation strategy and the use of thematic sandboxes to support experimentation in emerging areas such as artificial intelligence and tokenisation.

These matters are directly relevant to the Commission's consideration of Australia's innovation ecosystem. Implementing the review's recommendations could reduce early-stage regulatory uncertainty and provide innovative businesses with a more practical pathway to test products and progress towards full authorisation.

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[5] Australian Government, Independent Review of the Enhanced Regulatory Sandbox: Final Report (May 2026), https://treasury.gov.au/sites/default/files/2026-06/p2026-781304.pdf.

FinTech Australia recommends:

- **[Rec 6]** Support timely implementation of the recommendations of the *Independent Review of the Enhanced Regulatory Sandbox*, including reforming the ERS to broaden its scope, improve its flexibility, strengthen its integration with ASIC's licensing and supervision functions, and provide participants with a clearer pathway to licensing.

Insolvency frameworks and business recovery

The Commission identifies rules and attitudes concerning business failure and risk-taking as relevant to Australia's innovation ecosystem. FinTech Australia does not have a detailed position on the technical design of Australia's insolvency frameworks. We nevertheless recognise that the consequences of business failure can affect the willingness of founders and investors to take appropriate commercial risks.

FinTech Australia supports the Commission examining whether the insolvent trading safe harbour provisions and small business restructuring pathway provide viable businesses with an appropriate opportunity to restructure and recover, while maintaining suitable protections for creditors, employees and other stakeholders.

There may also be value in considering the interaction between corporate and personal insolvency where founders and small business owners have provided personal guarantees for business debts. Personal guarantees can expose business owners to significant personal consequences when a venture fails and may affect decisions to establish, invest in or continue operating a business.

Any reform in this area should maintain appropriate safeguards against misconduct and should not transfer unreasonable risks to creditors. The objective should be to ensure that the framework distinguishes genuine entrepreneurial failure from misconduct and supports the timely restructuring or orderly exit of viable and non-viable businesses.

FinTech Australia recommends:

- **[Rec 7]** Examine whether the insolvent trading safe harbour provisions and small business restructuring pathway appropriately support entrepreneurial risk-taking and business recovery, while maintaining suitable protections for creditors and other stakeholders. This should include consideration of the effect of personal guarantee arrangements on small business owners where a business fails.

Conclusion

FinTech Australia welcomes the Productivity Commission's inquiry into barriers to business dynamism. For fintech businesses, the ability to enter, compete and grow in Australia depends in part on access to data, banking services, capital, payments infrastructure and workable regulatory pathways.

This submission identifies several practical barriers affecting that access. These include the absence of workable CDR business consent arrangements, difficulties obtaining and maintaining banking services, uncertainty about whether technology-led fintech businesses qualify for investment through VCLPs and ESVCLPs, and a lack of clear and practical pathways to direct NPP participation for appropriately regulated non-bank providers.

FinTech Australia has also identified opportunities to improve the regulatory pathway for new businesses. Implementing the independent review's recommendations would improve the operation of the Enhanced Regulatory Sandbox and provide eligible fintechs with a clearer pathway from experimentation to full authorisation. The Commission should also consider whether the insolvency safe harbour provisions, small business restructuring pathway and personal guarantee arrangements appropriately support business recovery and responsible entrepreneurial risk-taking.

These reforms should preserve strong consumer protection, financial crime controls and the safety and resilience of the financial system. At the same time, regulatory and infrastructure requirements should be clear, proportionate and applied in a way that does not create unnecessary barriers to competition or market entry.

The recommendations in this submission would reduce regulatory uncertainty, improve access to key inputs and provide fintech businesses with greater confidence to invest, innovate and scale in Australia.

FinTech Australia would welcome the opportunity to discuss these issues further and assist the Commission to engage directly with fintech businesses affected by these barriers.