Reducing barriers to business dynamism in Australia

Submission by the Australian Securities and Investments Commission

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Contents

Overview

1 The Australian Securities and Investments Commission (ASIC) is Australia's integrated corporate, markets, financial services and consumer credit regulator. The systems we regulate are important to business dynamism in Australia. They shape how businesses are formed, funded, governed, restructured and, where necessary, wound up.

2 Well-calibrated corporate, markets, and financial services regulation supports business dynamism. Clear and proportionate regulation can promote confidence, support capital formation, protect consumers and investors, and provide efficient pathways for business restructuring and exit.

3 However, as Australia’s corporate, financial services and markets sectors have evolved, the legislative and regulatory frameworks that apply to them have become more complex. This can make it harder for businesses (particularly small businesses, growing companies and directors in financial distress) to understand and meet their obligations.

4 ASIC has an ongoing focus on making regulation clearer, simpler and easier to navigate within our areas of responsibility. We are focused on addressing conduct that may harm consumers, investors, creditors or market integrity, while avoiding unnecessary compliance burden where this can be done consistently with the law and ASIC’s statutory objectives.

5 This submission focuses on three areas where ASIC’s responsibilities intersect with the Productivity Commission’s inquiry: reducing unnecessary friction in business entry, expansion and exit; ensuring capital markets, disclosure and reporting settings remain appropriately calibrated for growing companies; and improving the efficiency, accessibility and integrity of Australia’s corporate insolvency framework.

Business entry

6 While individual company and business name registration processes are generally fast and relatively low cost, ASIC recognises that starting a business in Australia can involve navigating several different processes and systems depending on which business structure is adopted and the sector the business is in.

7 ASIC’s work on registry services, small business guidance and digital transactions is directed to making it easier to interact with us and register a business.

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Business expansion

8 Access to capital is a key enabler of dynamism. ASIC supports confident, fair and well-functioning capital markets through our role in corporate fundraising, managed investment schemes, market supervision, financial reporting and conduct regulation. Our work on public and private markets has highlighted the importance of ensuring that Australia’s capital pathways remain effective for businesses at different stages of growth. There may be opportunities to consider whether corporate reporting, governance and disclosure settings remain appropriately calibrated for modern capital markets.

Corporate insolvency

9 Corporate insolvency laws also play an important role in business dynamism. They support the fair, orderly and efficient reallocation of resources, preserve value where viable businesses can be restructured, and provide mechanisms to investigate misconduct and protect creditor interests.

10 Australia’s corporate insolvency framework has important strengths, but it has developed through successive reviews and reforms over many years. There are opportunities to consider targeted reforms that reduce unnecessary complexity and cost, improve accessibility for small businesses and directors, and preserve the safeguards that are central to integrity and confidence in the insolvency system.

Summary of key issues for consideration

11 ASIC has identified a number of issues that the Productivity Commission may wish to consider in assessing whether Australia's regulatory settings continue to support business dynamism, capital formation, efficient business exit and economic productivity:

(a) **capital markets and access to capital** – whether current fundraising, disclosure, governance and reporting settings are appropriately calibrated to support capital formation while maintaining investor protection and market integrity

(b) **corporate governance and reporting requirements** – building on issues relating to capital markets, whether there are opportunities to revisit the 50 non-employee shareholder limit for proprietary companies, and the proportionality of reporting and governance obligations for smaller and medium-sized listed entities.

(c) **corporate insolvency –** ASIC has identified several areas the PC may wish to consider in relation to the corporate insolvency framework. These are:

(i) improving the simplified liquidation process for small companies

(ii) improving the interaction between insolvency law and common legal and business structures, particularly trusts and corporate trustees and corporate and personal insolvency frameworks

(iii) strengthening the regulatory settings for pre-insolvency advice, and

(iv) improving the accessibility and effectiveness of creditor-defeating disposition provisions.

A Business entry and expansion

Business entry

12 Starting a business and incorporating a company in Australia is supported by relatively fast, digital and low-cost registration processes. However, establishing a business often requires individuals to navigate multiple registration processes, systems and government agencies, with the steps required varying depending on the business structure adopted.

13 While the administrative act of registering a company or business name is unlikely to be a significant barrier to market entry for many businesses, the broader process of establishing a business can be more complex. This includes choosing an appropriate business structure, completing multiple registrations, and understanding the obligations that follow.

14 ASIC administers key parts of the business entry framework, including company registration, business name registration and, for regulated sectors, licensing for financial services and credit activities. ASIC’s focus is on making these entry points easier to navigate while maintaining the regulatory protections that support confidence in Australia’s markets, financial system and corporate sector.

Company and business name registration

15 The registrations required to set up a business will depend on the business structure chosen. For most businesses proposing to structure as a company, the registrations required will generally be:

(a) Director identification number (director ID)

(b) Company registration

(c) Business name

(d) Australian Business Number, and

(e) GST and other taxes.

16 ASIC administers the company and business name registration processes. The other processes are administered by Australian Business Registry Services, the Australian Business Register, and the Australian Taxation Office.

17 Businesses using a corporate structure must register on the Australian companies register. Registering a business as a company in Australia is a quick process. Registration costs between $503 and $611, depending on the company type. To register, businesses can do so via a registered agent (such as an accountant) or online.

18 Business names can be registered through the ASIC Connect online portal. As with company registrations, businesses can register a name via a registered agent or submit an online application. The registration fee is $45 for one year or $104 for three years.

19 In the 2024–25 financial year, 333,188 new companies registered with ASIC, an increase of approximately 57% compared to the 2014–15 financial year. Similarly, the number of new business names registered increased from 299,988 in 2014–15 to 386,519 in 2024–25. We process 99% of online registrations for new companies and business names within one business day.

Choosing the right business structure and ongoing regulatory requirements

20 Choosing the right structure is an important part of commencing a business. Incorporating can bring important benefits. It can protect personal assets from business liabilities, support access to capital, enable participation in some markets and provide access to different tax settings.

21 However, incorporation also brings costs, obligations and administrative responsibilities. Company officeholders must comply with duties and ongoing obligations under the *Corporations Act 2001* (Corporations Act) and, in some cases, additional obligations under the company's constitution or other laws. These obligations are an important part of the protections and benefits associated with the corporate form.

22 ASIC does not consider that these obligations are, in themselves, significant barriers to business entry. They are part of the cost of operating through a company in Australia and help maintain confidence in the corporate system. However, the issue may be different where a business operator adopts a company structure when another structure may have been more suitable.

23 Given the costs and obligations associated with incorporation, and the relatively high number of company formations in Australia, there may be some business operators using companies to run their business when doing so may not provide a net benefit. This may be particularly relevant for very small businesses, sole traders or individuals who incorporate without a clear understanding of the obligations that follow.

ASIC initiatives to reduce entry friction and support dynamism

24 ASIC is undertaking a range of work to make it easier for businesses to interact with us, understand their obligations and comply with the law. This work is directed to reducing unnecessary friction in business entry and ongoing compliance, while preserving the protections that support trust and confidence in the corporate and financial system.

Regulatory simplification

25 ASIC is undertaking a comprehensive, multi-year program of work to simplify the regulations we administer and make it easier for entities, including companies, to enter the market and understand and meet their ongoing obligations.

26 In May 2026, ASIC released Report 830 *Regulatory simplification progress report* (REP 830). The report provides an update on ASIC's simplification work and reflects on the feedback we received to Report 813 *Regulatory simplification* (REP 813) which we released in September 2025.

27 REP 830 showed that we have made meaningful improvements to how people interact with ASIC. For example, we:

(a) redesigned the ASIC website, introducing streamlined navigation and advanced search tools

(b) introduced electronic lodgement for high-volume forms and acceptance of electronic signatures across all ASIC forms, and

(c) implemented new call centre technology, improving service levels and customer experience.

28 REP 830 also outlines ASIC's commitments to regulatory simplification. This includes further consolidation and simplification of legislative instruments, the development of two sector-based regulatory roadmaps, including one for small company directors, and improvements to ASIC's registers through the RegistryConnect program and further expansion of digital services.

RegistryConnect

29 ASIC administers more than 30 registers, holding essential records for every company, business name, and licensed financial industry professional. Registry data is used by individuals, businesses, and government agencies to make business decisions, perform compliance and regulatory functions, and support legal proceedings in the courts.

30 ASIC's current registry system has significant shortcomings. The system can be unreliable, experiencing both planned and unplanned outages. There currently is no user interface that businesses can use to register a company with ASIC directly.

31 Our registry is based on ageing technology that does not provide the streamlined, efficient and secure services that users would expect of a modern registry. This includes a reliance on an old system of forms and a lack of features to support the integrity, accuracy and currency of registry information.

32 We have sought to mitigate some of the more significant shortcomings as part of our simplification work, but this can only achieve so much due to limitations of the existing platform.

33 ASIC is undertaking a significant program of work, known as RegistryConnect, to deliver registry services that are reliable, secure, trusted and easier to use. The program aims to improve how registry information is searched and accessed, and to modernise the experience for people and businesses who interact with ASIC's registers across the life of a company or business name.

34 RegistryConnect will stabilise and secure the registers to significantly reduce technology and cyber-security risks, and deliver new functionality, including:

(a) uplifted companies register search services and functionality

(b) new company registration and maintenance services

(c) linking of director IDs to the companies register

(d) strengthen authentication of registry users

(e) uplift the quality and integrity of registry data

(f) addressing cyber-security and technology risks

(g) address fraud and scam risks associated with the misuse of registry information, and

(h) improve application, registration, maintenance and search services for professional registers.

35 RegistryConnect will also improve how registry information is accessed and used. In June 2026, we are launching a refreshed ASIC Companies Register search service for the public, with a simpler and more intuitive online search experience. At the same time, new Application Programming Interfaces (APIs) will be released to information brokers, in preparation of a new machine-to-machine channel. New APIs for Digital Service Providers will follow later in 2026. This will be the first of several releases and focuses on information from the Companies Register that is accessible without a fee.

36 We have expanded the refreshed ASIC Companies Register search service to include company extracts and copies of lodged documents available to purchase.

Small business strategy and education

37 ASIC is focussed on supporting and protecting small businesses. We recognise that small businesses are central to business dynamism in Australia. Many small businesses operate through a company structure, and many experience unique challenges compared to larger businesses.

38 We are refreshing our small business strategy to better reflect the practical needs and operating environment of small businesses and small company directors. The refreshed strategy recognises that small business directors often operate with limited time and resources, juggle governance obligations with day-to-day business operations, and face increasing complexity and financial pressure at key points in the business lifecycle.

39 This work is informed by research commissioned by ASIC last year, together with ongoing stakeholder engagement. The research confirmed directors feel confident about their obligations at a high level but may lack awareness of how those obligations apply in practice and the personal consequences of non-compliance. It also suggested that some directors underestimate their personal liability or assume advisers are responsible for compliance, and that existing guidance can be difficult to navigate quickly when something changes or an issue arises.

40 ASIC is responding to these insights through the development of a new Small Business Essentials experience on ASIC’s website. Small Business Essentials is a core delivery initiative under the refreshed small business strategy. It is intended to translate the strategy’s focus on education, simplification and engagement into a practical online experience for small business company directors.

41 The new experience will draw together new and existing ASIC guidance, tools and services into a business lifecycle-based structure. It will include a compliance roadmap for small business directors, organised around key stages in the life of a small business company: planning and preparation, registration and setup, ongoing management and decision-making, protecting and growing the business, and managing financial pressure, transition or exit.

Financial services and credit licensing

42 The general business registration process should be distinguished from entry into regulated financial services, credit and innovation markets. In these sectors, licensing and regulatory requirements are more substantial because the potential risks to consumers, investors and market integrity are higher.

43 These requirements can involve more time and complexity than ordinary company or business name registration. However, they are not designed to operate as unnecessary barriers to entry. They are intended to ensure that businesses operating in regulated sectors meet minimum standards of competence, compliance, and investor and consumer protection.

44 ASIC grants Australian financial services (AFS) licences under the Corporations Act, and Australian credit licences (ACL) under the *National Consumer Credit Protection Act 2009* (National Credit Act).

45 Financial services businesses must hold an AFS licence unless an exemption applies or if they act as an authorised representative of an AFS licensee. This applies to businesses offering regulated financial products like shares, superannuation, interests in managed investment schemes and deposits.

46 Applicants for an AFS licence must demonstrate that they meet high standards of competency, compliance and consumer protection. ASIC undertakes an assessment process that typically takes between four and eight months to complete. The process is risk-based and is designed to protect investors and consumers by ensuring that providers have the necessary elements in place, including organisational competence, training, financial resources, insurance and internal dispute resolution systems.

47 Since June 2025, applications for an AFS licence have been completed through the ASIC Regulatory Portal. The new online portal makes it easier for users to apply for, or vary, an Australian financial services licence.

48 Individuals or businesses engaging in credit activities, such as banks, mortgage brokers, finance companies, and credit unions, must hold an ACL unless an exemption applies or they act as an authorised representative of a credit licensee.

49 As with AFS licences, ASIC assesses ACL applications using a risk-based approach to ensure high standards are met across a range of areas. The assessment process is not designed to be a barrier to starting a credit business. Applying for an ACL generally takes two to five months from submission to approval. While applications for, or variations to, ACLs cannot yet be completed through the ASIC Regulatory Portal, work is currently underway to enable this.

50 Ultimately, we only grant AFS licences and ACLs to persons who meet the statutory requirements, including relevant fit and proper person tests. We also consider whether we have no reason to believe that applicants are likely to contravene their licensee obligations if we grant them a licence.

Enhanced Regulatory Sandbox

51 ASIC supports new and innovative firms to enter the market. The Enhanced Regulatory Sandbox and ASIC's Innovation Hub help lower barriers to entry for financial technology and regulatory technology businesses while maintaining appropriate consumer safeguards.

52 Administered by ASIC on behalf of the government, the ERS allows eligible firms to test innovative products for up to 24 months without a licence, helping them validate business models and refine risk controls. In 2024–25, six entities tested their business models in the ERS.

53 In October 2025, the government announced an independent review of the ERS. The purpose of the review is to examine the role of regulatory sandboxes in supporting financial innovation in Australia, and specifically consider the design, operation and effectiveness of the ERS. The final report was delivered to government on 1 July 2026, with the government's response anticipated in the second half of 2026. The PC may wish to consider the recommendations from the report and explore opportunities to expand the ERS and improve how it can continue to facilitate financial innovation in Australia.

54 Since 2015, the ASIC Innovation Hub has provided targeted guidance to innovative businesses on regulatory obligations and licensing pathways, helping them enter the market, iterate quickly, and scale new ideas. In 2024–25, ASIC met with representatives of 49 innovative businesses to help them understand how the regulatory framework may apply to their intended business models.

Business expansion

Access to capital

55 Access to finance is a key enabler of business dynamism. It affects whether new firms can enter markets and whether productive businesses can invest and scale.

ASIC's role

56 ASIC supports business access to capital through our role in maintaining confident, fair and well-functioning markets. Relevant touchpoints include corporate fundraising, managed investment schemes, financial market supervision and aspects of conduct regulation in small business lending.

57 ASIC administers Chapter 6D of the Corporations Act which regulates fundraising through the issue or sale of securities. These requirements support transparent capital raising by ensuring investors receive appropriate disclosure, while also providing exemptions and relief mechanisms where full disclosure requirements would be disproportionate. ASIC's role includes providing guidance, receiving and reviewing lodged disclosure documents, considering relief applications, and taking action where fundraising conduct or disclosure may undermine investor protection or market integrity.

58 ASIC also regulates managed investment schemes under the Corporations Act. Managed investment schemes are an important funding channel in Australia's capital markets, including for pooled investment into property, infrastructure, credit, private equity and other asset classes. Interests in

managed investment schemes are financial products, and scheme operators are subject to regulatory obligations relating to registration, licensing, disclosure, governance and conduct. ASIC's role focuses on investor protection while recognising that they can provide important channels for capital formation and investment.

59 For listed markets, ASIC's role also includes market supervision and enforcement of market integrity, continuous disclosure and conduct obligations. These functions support confidence in public markets by helping ensure that markets are fair, orderly, transparent and efficient. This is relevant to economic dynamism because public markets can provide scale capital, liquidity, price discovery and broader investor participation.

60 ASIC's role in small business credit is more limited than its role in consumer credit. Ordinary business lending is generally not subject to the responsible lending obligations that apply to consumer credit. However, ASIC does have important conduct and integrity roles in relation to financial products and services provided to small businesses. This includes administering unfair contract term protections for standard form small business contracts involving financial products and services, and taking action against misleading and deceptive conduct, and unconscionable conduct.

Changing dynamics in Australia's capital markets

61 Growing businesses in Australia have access to a range of capital pathways. This includes bank and non-bank business lending, private capital, venture capital, managed investment schemes, wholesale markets, crowd-sourced funding, public fundraising and listed markets.

62 Each pathway can play different role. For example, debt finance may support working capital and incremental expansion, while private markets are increasingly seen as patient and flexible funding for growth-stage companies. Public markets can support scale, liquidity, price discovery and broader investor participation.

63 ASIC's public and private markets work has highlighted the importance of ensuring that these capital pathways operate effectively together. In November 2025, ASIC released Report 823 *Advancing Australia's evolving capital markets: Discussion paper response report* (REP 823), following extensive consultation on the changing dynamics between public and private markets. Our work identified structural shifts in Australia's capital markets, including declining initial public offerings, increased de-listings, significant growth in private markets and the growing role of superannuation capital.

64 Submissions to ASIC's public and private markets work raised a range of issues relevant to business dynamism. Stakeholders pointed to the flexibility, speed and lower public scrutiny of private capital as factors supporting its

growth. They also raised concerns about the cost, complexity, governance burden and public visibility associated with becoming and remaining listed.

65 These issues are not unique to Australia, but they are relevant to whether Australia’s capital markets continue to provide attractive pathways for businesses to raise capital at different stages of development.

66 Private capital can play an important role in funding innovation, infrastructure and growth-stage companies. However, a sustained shift away from public markets may have broader implications for economic dynamism and integrity. Public markets provide transparency, liquidity, benchmark pricing, broad investor participation and opportunities for retail investors to share in business growth. A vibrant public market is also important for competition, productivity and the efficient allocation of capital across the economy.

67 In this context, the PC may wish to consider whether Australia’s regulatory settings support an appropriate range of capital pathways for businesses at different stages of growth. This includes whether current fundraising, disclosure, governance and reporting settings are appropriately calibrated to support capital formation while maintaining investor protection and market integrity. It also includes whether the cumulative cost and complexity of accessing public markets may discourage some companies from listing or remaining listed, even where public markets would otherwise provide an efficient pathway for growth.

Corporate governance and reporting requirements

68 ASIC's role extends beyond facilitating access to capital. We are also responsible for promoting confidence in Australia's corporate and financial system through the administration and enforcement of corporate governance, reporting and disclosure obligations. These requirements support transparency, accountability and informed decision-making by investors, creditors and other stakeholders, and are an important foundation for well-functioning capital markets.

69 ASIC plays an important role in detecting, deterring and taking action against directors who fail to meet their obligations under the *Corporations Act*. Director misconduct can result in financial harm to investors, creditors and employees, undermine trust and confidence in the corporate system, and contribute to corporate failure.

70 In some cases, misconduct may become apparent only once a company enters external administration, highlighting the close relationship between ASIC's roles in corporate regulation and insolvency. As the corporate insolvency regulator, ASIC relies on information and intelligence generated

through insolvency processes to identify corporate misconduct, support enforcement outcomes and inform broader regulatory responses.

Corporate governance and disclosure thresholds and settings

71 As companies expand, their governance, reporting, disclosure and assurance obligations generally expand with them. This is an important feature of the corporate regulatory framework.

72 Larger businesses, businesses seeking external capital, and businesses with a broader investor base generally have a greater impact on investors, creditors, employees and markets. Additional obligations are therefore intended to support transparency, accountability, investor protection, creditor confidence and market integrity.

73 A number of obligations under the Corporations Act are triggered by the scale of the company. For example, proprietary companies become subject to financial reporting and audit obligations when they meet the large proprietary company thresholds. These thresholds are based on revenue, assets and employees. Mandatory sustainability reporting obligations will also apply progressively by reference to size-based thresholds, including revenue, assets and employee numbers. These settings recognise that larger entities generally have a broader public or market impact.

74 Other obligations are triggered by the company's legal form, ownership structure, fundraising activity, listing status or investor profile. For example, the distinction between proprietary and public companies determines when a company becomes subject to a more extensive governance, reporting and disclosure framework. Similarly, companies that seek to list or raise capital from the public will generally become subject to additional disclosure, reporting, governance and assurance requirements.

75 As noted in REP 823, the current regulatory settings recognise the structural differences, and distinct risks for investors, for private companies compared to public companies. These obligations serve important purposes. They support investor confidence, market integrity and informed decision making, particularly where retail investors are involved or where a company's securities are publicly traded. A vibrant public market depends on reliable information, effective governance and confidence that investors are appropriately protected.

76 However, ASIC's work on public and private markets has highlighted that regulatory settings are a relevant consideration on business access to capital. Through ASIC's public and private markets work, including submissions received in response to our discussion paper on Australia's evolving capital markets, stakeholders raised concerns about the cumulative effect of regulatory obligations, public scrutiny and compliance costs on decisions to remain private, raise private capital or list on public markets.

77 ASIC has heard that regulatory accumulation and public scrutiny are amplifying the drift toward private markets. Companies have plentiful access to private capital, which can be more flexible, patient and less encumbered by governance obligations and public scrutiny.

78 Recent trends in public and private markets serve to highlight these challenges. One estimate has private capital funds assets under management at $167 billion as of March 2025, a 140% increase over the previous 10 years. Meanwhile, de-listings on public markets outpace new listings.

79 In this context, the PC may wish to consider whether existing thresholds and obligations create disincentives to business growth or capital raising. The relevant issue may not be any single obligation in isolation, but the cumulative effect of multiple obligations that activate as a company grows in revenue, assets, employees, shareholder numbers, fundraising activity or public market participation.

80 Two areas may merit particular consideration:

(a) First, the 50 non-employee shareholder limit for proprietary companies may affect the ability of growth-stage companies to raise equity capital from a broader investor base while remaining private. This threshold may have been more appropriate when proprietary companies generally raised capital from a smaller group of investors. However, Australia's private capital markets have evolved, with growth-stage companies increasingly raising funds from angel investors, venture capital funds and investor syndicates. The PC may wish to consider whether the current shareholder limit remains appropriately calibrated, including whether it may discourage capital raising or cause companies to restructure investor participation in ways that add cost or complexity without materially improving investor protection.

(b) Secondly, the reporting and governance requirements that apply to smaller and medium-sized listed companies may be relatively onerous when compared with their scale and resources. Listed companies are generally subject to substantially similar reporting and disclosure obligations, regardless of size or complexity. While these obligations are important to market integrity and investor confidence, they may have a proportionately greater impact on smaller listed entities and may affect the attractiveness of listing as a pathway for growth. This is particularly relevant if smaller companies perceive that public market participation involves significant fixed compliance, audit, assurance and governance costs that are not proportionate to their stage of development.

81 In many cases, the regulatory burden is not limited to the reporting requirement itself. It also includes the assurance, audit, legal, governance, systems and internal capability costs needed to comply. These requirements

are critical to investor protection and market integrity at the larger end of the market or where there is significant retail investor participation. However, there may be opportunities to consider more scalable or proportionate approaches to these requirements—including assurance requirements—to support greater public market participation.

Business exit

82 Business may exit for a number of reasons, including voluntary exits through a business transfer or changes in ownership or where a business ceases to operate through either a voluntary cessation of business or formal insolvency process.

83 The complexity, cost and timeframe of the exit process chosen is influenced by the ownership structure, size of the business, the industry in which the business operates, the circumstances of the business and the legal structure through which the business operates. These factors also determine what legal and regulatory requirements apply to the business exit.

84 If the business operated through a corporate structure, there are a number of ways that a business or the owners of a business may choose to exit.

85 In certain prescribed circumstances, ASIC will initiate a deregistration of a company.

Business transfer

86 One way that the owners of a business may exit a business is by way of transfer or sale of the business.

87 ASIC does not generally regulate the commercial transfer of a business as such. Many business transfers occur through private contractual arrangements, including the sale of business assets, goodwill, customer contracts, intellectual property, plant and equipment or other commercial assets. These transactions are primarily matters for the parties involved, subject to general law and any relevant taxation, employment, competition or industry-specific requirements.

88 ASIC's role becomes more direct where a business transfer is structured as, or has the effect of, a transfer of control of a public company. Chapter 6 of the Corporations Act regulates acquisitions of control over voting shares in listed Australian companies, unlisted Australian companies with more than 50 members, and listed managed investment schemes. The framework is directed at ensuring that control transactions occur in an efficient, competitive and informed market, and that shareholders have sufficient

information, reasonable time to consider a proposal, and a reasonable and equal opportunity to participate in benefits arising from a change in control.

89 Chapter 6 sets the rules by which control may be acquired, including through takeover bids, member-approved acquisitions and other recognised exceptions to the general prohibition on acquisitions above the 20% voting power threshold.

90 ASIC seeks to administer the Chapter 6 framework in a way that supports efficient, competitive and informed control transactions, while preserving the core shareholder protection and market integrity objectives of the regime. This includes providing guidance, considering relief or modification applications where appropriate, and taking a pragmatic approach to technical issues when doing so is consistent with the purposes of Chapter 6.

91 We note that Australia's takeover laws apply to listed companies or unlisted companies with more than 50 members, which means that control transactions in companies without a public trading market may still be subject to Australia's 20% takeovers prohibition and the associated protections in Chapter 6. This contrasts with a number of overseas regimes such as the UK which are more closely directed to listed and publicly traded companies.

Voluntary exit

92 A business might stop operating through a voluntary cessation of business or, for some companies, exit may be through a formal insolvency process.

Voluntary cessation (solvent companies)

93 A solvent company that is no longer doing business but is still registered with ASIC must continue to meet its legal obligations, including the lodgement of forms and payment of statutory fees. For such companies, there are two main pathways for voluntary exit; voluntary deregistration, and members’ voluntary liquidation.

Voluntary deregistration

94 Voluntary deregistrations are intended for solvent, low risk companies that can be exited without the need for a formal winding up. The process provides the company and its directors and shareholders a fast and efficient process to end a solvent company’s legal existence and free officeholders from ongoing obligations.

95 A solvent company with no liabilities, assets worth less than $1,000 and that meets other prescribed criteria, can apply online to ASIC to voluntarily deregister the company. Voluntary deregistration is subject to an application fee, which is currently $52. While modest, this fee may be relevant in

circumstances where a company has ceased operating, has no assets and limited remaining resources.

96 If ASIC approves the application, a notice of proposed deregistration is published, and the company may be deregistered two months later.

Members' voluntary liquidation

97 If a solvent company does not satisfy the voluntary deregistration criteria, shareholders may instead resolve to pursue a members' voluntary liquidation. Under this process a liquidator (who may or may not be a registered liquidator) is appointed to realise company assets, pay creditors (if any) and distribute surplus funds and property to the shareholders in a way that assists compliance with taxation obligations.

98 This formal process can be used only if the company is solvent and is able to pay all its debts and liabilities in full within 12 months. If the company cannot do so, the liquidation is converted to a creditors' voluntary (insolvent) liquidation.

ASIC-initiated deregistration

99 In certain prescribed circumstances, ASIC will initiate a deregistration. The most common circumstance for this is if the company has not paid its annual review fee in full for at least 12 months after the due date. ASIC does not investigate the cause for the company's inactivity.

Informal workouts

100 Informal 'workouts' are a flexible pathway for directors of a company to remain in control of the company and negotiate private arrangements with one or more creditors to restructure, delay, reduce, or waive pre-existing debts. Directors may pursue this pathway to avoid the stigma of a formal external administration.

101 Informal workouts do not bind dissenting creditors, and directors must monitor the company's ongoing financial position to avoid trading while insolvent.

102 Taking early action to work out the company's financial difficulties may provide 'safe harbour' protection for directors from personal liability for insolvent trading as they develop and implement a course of action to work out its financial difficulties or restructure the business.

103 Informal workouts are not a public process, and arrangements are entered into as a result of confidential decisions by the company's directors. These arrangements are not likely to become public unless the company enters into a formal external administration process. ASIC has limited access to

information about informal workouts, including the extent to where there is reliance by directors on ’safe harbour’ protection.

Formal insolvency process

104 Australia’s corporate insolvency framework provides various pathways for companies of all sizes to restructure their affairs and, where that is not possible, to provide an efficient and orderly process that facilitates the reallocation of resources to those who can better use them.

105 The current corporate insolvency framework provides the following formal pathways:

(a) voluntary administration (including deed of company arrangement)

(b) small business restructuring

(c) liquidation (including court liquidation, creditors’ voluntary liquidation and simplified liquidation)

(d) controller appointments

(e) schemes of arrangement

106 Further information on the corporate insolvency framework is set out in Part B of this submission.

B The design, operation and integrity of corporate insolvency frameworks

107 ASIC's key focuses in the insolvency sector include:

(a) Overseeing the various insolvency processes available to Australian companies, including exercising some of the statutory functions. These include:

(i) assessing requests for ASIC to make orders undoing the effect of a creditor defeating disposition, and where appropriate, making orders

(ii) administering the Assetless Administration Fund and assessing applications for funding to conduct investigations and report alleged misconduct to ASIC and to commence court proceedings to recover assets for the benefit of creditors

(iii) assisting registered liquidators to obtain information, books and records of a company under external administration via the External Administration Compliance Assistance program and prosecuting directors who fail to assist an external administrator

(iv) maintaining panels of registered liquidators to accept appointments when ASIC winds up abandoned companies to enable former employees to recover unpaid entitlements via government payment schemes, or appoints a reviewing liquidator

(v) granting eligible applicant requests for authorisation to conduct public examinations

(vi) considering and where necessary responding to insolvency related court applications

(vii) assessing and where applicable granting, requests for suspension or cancellation of a registered liquidator's registration

(viii) reviewing and where relevant granting, the renewal application for the registered liquidator's registration, and

(ix) representing ASIC (on behalf of a Schedule 2 committee) in Administrative Review Tribunal actions commenced by applicants to become registered or by registered liquidators

(b) registering liquidators (including convening and chairing Schedule 2 committees to consider registration applications) and regulating the conduct of registered liquidators

(c) working with, and using the intelligence provided by, registered liquidators and others to identify and respond to corporate misconduct

(d) using insolvency data provided to ASIC to provide insights into the insolvency system and to monitor and ensure compliance, and

(e) providing guidance and information to support the sector.

Corporate insolvency framework

108 A well-functioning financial system should provide for an efficient process of corporate external administration to facilitate the reallocation of resources to those who can better use them.

109 Where the business cannot be saved, an effective streamlined system of external administration is needed which minimises cost and maximises the return to creditors while deterring misconduct.

110 Insolvency policy settings should enable reasonable risk taking to facilitate the reorganisation or reconstruction of viable businesses. Any changes to the law to facilitate corporate rehabilitation or business transfer/closure should consider previous reviews and reforms.

111 Australia's corporate insolvency regime has been subject to multiple broad and targeted reviews over time, resulting in periodic refinements rather than wholesale redesign. These reviews have included major inquiries, such as the Australian Law Reform Commission's General Insolvency Inquiry, as well as more recent Parliamentary and Productivity Commission reviews.

112 Legislative reforms have incrementally updated the framework, including the introduction of voluntary administration (1993), process reforms (2007), practitioner and process reforms (2017), safe harbour (2017), ipso facto reforms (2018), measures to combat illegal phoenix activity (2020), and small business restructuring and simplified liquidation (2021).

113 This body of work demonstrates that the current system is the product of ongoing, iterative reform, with recent policy focus shifting toward targeted improvements to efficiency, integrity and small business outcomes rather than fundamental redesign.

ASIC data

114 ASIC recognises, as highlighted in previous reviews, that high-quality and accessible data is important in understanding how effectively the corporate insolvency system is operating and identifying opportunities for improvement. To support this, ASIC has recently focused on improving how it analyses, integrates and reports existing insolvency data collected through statutory lodgements, with the objective of providing greater transparency and actionable insights into system performance.

115 As part of this work, ASIC has delivered several data-driven publications and improvements, including new and updated insolvency statistics, and reports on key processes such as simplified liquidations and small business restructuring and will soon report on the voluntary administration and DOCA regime. ASIC intends to continue this program through 2026, with further publications planned on court and creditors' voluntary liquidation processes, as well as a further publication relating to small business restructuring.

Overall effectiveness of the insolvency framework

116 ASIC's overall experience is that Australia's corporate insolvency system has strengths, including providing a range of flexible pathways for companies in financial distress, including options for restructuring, rescue, orderly exit and liquidation. These pathways support the efficient reallocation of resources, help preserve value where viable businesses can be saved, and provide mechanisms to investigate misconduct and protect creditor interests.

117 At the same time, the current framework has developed through successive reviews and reforms over many years. Much of this reform has been incremental, responding to specific policy issues as they have emerged. In some areas, reforms have also been introduced within compressed timeframes to address particular risks or economic conditions. While these changes have often delivered important benefits, they have also contributed to a framework that can be costly and complex to navigate.

118 ASIC considers that there are opportunities to identify targeted reforms that improve how the existing framework operates in practice. This includes reforms that reduce unnecessary complexity and cost, improve accessibility for small businesses and directors, and preserve the integrity safeguards that are central to confidence in the insolvency system.

Opportunities to improve the operations of corporate insolvency frameworks

119 Based on ASIC's experience in administering and overseeing the corporate insolvency system, we have identified several key areas for consideration by the PC to reduce unnecessary complexity and cost, improve accessibility (particularly for small businesses), and enhance integrity safeguards in the insolvency system.

120 The areas reflect both issues observed in practice and feedback from stakeholders. The areas are:

(a) improving access to the simplified liquidation process to enable more efficient, timely and cost-effective liquidations of small businesses

(b) simplifying the complex interactions between multi-entity business structures and overlapping personal and corporate insolvency regimes, including where a trust structure is adopted with a corporate trustee

(c) better regulation of pre-insolvency advice to minimise the risk of inappropriate conduct, enhancing confidence and outcomes within the insolvency system, and

(d) targeting creditor-defeating dispositions to improve enforcement outcomes and the recovery of assets for creditors.

Simplified liquidation process for small companies

121 Previous reviews, including the PC's 2015 inquiry into business set-up, transfer and closure, have highlighted the importance of having efficient, low-cost liquidation pathways for small companies, particularly where there are limited assets and liabilities.

122 In 2021, the Government introduced a simplified liquidation process. This process is intended to provide a streamlined, lower-cost alternative to the standard creditors' voluntary liquidation pathway for eligible small companies.

123 In 2024, we undertook a review of simplified liquidations which found that:

(a) There had been low uptake of the process—out of 4,867 CVLs commenced after 1 January 2021 and finalised by 31 December 2023, only 82 adopted the simplified liquidation process. Another 3,978 CVLs finalised in the period were eligible for simplified liquidation, based solely on the $1 million eligibility criteria, but liquidators did not adopt it.

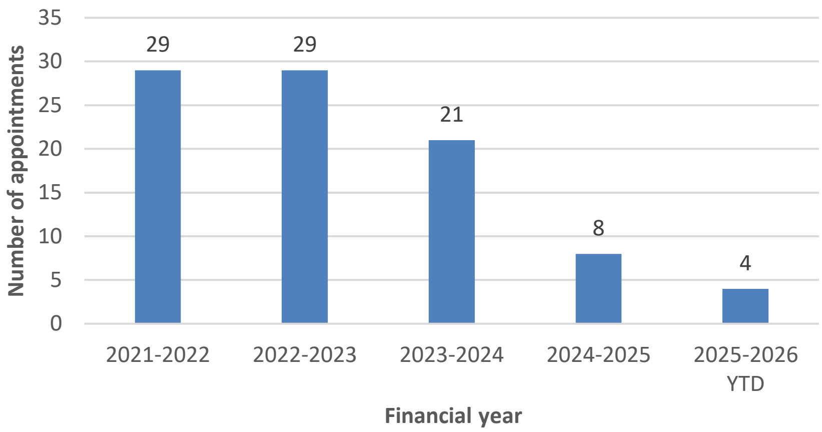
(b) Simplified liquidations were completed more quickly than comparable eligible creditors' voluntary liquidations, with an average finalisation time of 230 days compared with 286 days for eligible creditors' voluntary liquidations.

(c) There were no material differences in the creditor profile or the remuneration paid to registered liquidators when comparing simplified liquidations with eligible creditors' voluntary liquidations.

(d) A higher proportion of finalised simplified liquidations paid a dividend to unsecured creditors, with 11% of simplified liquidations paying a dividend compared with 4% of eligible creditors' voluntary liquidations.

124 Since releasing our report, use of the simplified liquidation process has declined. There were only 8 appointments where simplified liquidation was adopted in 2024-25, and only 4 appointments in 2025-26 to 29 June 2026: see Figure 1.

Figure 1: Adoption of simplified liquidation process, by financial year



Based on ASIC's experience in administering the regime, as well as feedback from stakeholders, the low level of uptake appears to reflect a number of barriers in the current framework. In particular:

(a) the timing and sequencing of procedural requirements, which delay access to the simplified process

(b) the need to initially administer the matter under the standard liquidation framework, creating duplication of effort, and

(c) added complexity and cost in the early stages of an administration, which diminishes the intended benefits of the simplified regime.

125 Together, these features reduce the practical attractiveness of the simplified liquidation process, particularly in asset-poor administrations, where even modest additional costs can materially affect creditor returns.

Interaction of insolvency law with legal and business structures

126 Australian businesses commonly operate through multiple and interconnected legal structures, including companies, trusts, partnerships and sole traders, often within a single enterprise.

127 While these structures often serve legitimate commercial purposes, the insolvency framework is largely designed around single-entity administration, rather than the coordinated failure of businesses operating across multiple structures.

128 This creates a structural mismatch between the legal design of insolvency regimes and the economic reality of how businesses operate. Where financial distress arises, insolvency processes may need to be applied across multiple entities and legal frameworks simultaneously, often without clear mechanisms for coordination.

129 In practice, this gives rise to a range of inefficiencies, including:

(a) increased complexity for individuals and businesses who face financial difficulty to identify suitable options available to them to act early to maximise outcomes

(b) increased complexity and cost in identifying assets, liabilities and creditor positions across structures

(c) duplication of processes, where separate administrations are required the company, the individual director, the partnership or any other impacted structure

(d) delays and uncertainty, particularly where issues fall outside express statutory frameworks, and

(e) greater reliance on court processes to resolve issues relating to asset ownership, priority and administrator powers.

Trusts and corporate trustees

130 Trust structures present a particularly significant policy challenge. Trusts are commonly used in small and medium business structures, including trading trusts, family trusts and unit trusts. While these arrangements may serve legitimate commercial, tax, asset protection or succession planning purposes, they can create complexity if the business becomes insolvent.

131 A trust is not a separate legal entity capable of entering external administration. Insolvency processes therefore operate by reference to the trustee (often a corporate entity), rather than the trust itself. This can create a disconnect between the legal form of insolvency administration and the underlying business activity. In practice, the insolvent business may have been conducted through the trust, the assets may be held on trust, and the liabilities may have been incurred by the corporate trustee in that capacity. However, the external administration attaches to the company acting as trustee, not to the trust estate as a distinct insolvency estate.

132 This gives rise to several practical difficulties, including:

(a) uncertainty about the external administrator’s ability to access and realise trust assets

(b) competing claims over those assets, including those arising from the trustee’s right of indemnity

(c) uncertainty about whether trust assets are available to meet particular categories of creditors

(d) limitations on external administrators’ powers, often requiring court approval to deal with trust property

(e) additional complexity where the corporate trustee has acted for more than one trust, or has both trust and non-trust liabilities, and

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(f) increased reliance on court applications to clarify the external administrator's powers and the treatment of trust property.

133 These issues can be particularly acute in small business insolvencies. Many small businesses operate through trust structures but have limited assets and incomplete records by the time an external administrator is appointed. In these matters, the cost of obtaining court directions or resolving trust law issues can be disproportionate to the value available for creditors. This may reduce the practical utility of formal insolvency processes, even where there are legitimate questions about asset realisation, creditor claims or director conduct.

134 There may be scope to consider whether the insolvency framework should better accommodate the practical reality that many businesses operate through trusts with corporate trustees. Targeted reform could reduce uncertainty, cost and delay, for example, by clarifying the powers of external administrators, the treatment of trust assets, and the circumstances in which court approval is required.

135 We note that the Australian Government has previously consulted on clarifying the treatment of corporate trusts under insolvency law: see Clarifying the treatment of trusts under insolvency law - Consult hub. We note that submissions to that consultation process by a range of stakeholders provide data that may support the PC's consideration of this issue.

Interaction of corporate and personal insolvency frameworks

136 Directors of companies in financial distress sometimes have interconnected personal financial exposure. This may arise through guarantees, director loan accounts, unpaid tax obligations, personal use of business assets, or involvement in other legal structures connected with the business. In small business contexts in particular, the company's financial position and the director's personal financial position may be difficult to separate in practice.

137 ASIC's preliminary analysis of the limited available data indicates that this overlap may be limited to a relatively small proportion of cases (up to 10% of directors of failed companies experience a personal insolvency event within either the 12 months prior to, or the two years following, a corporate insolvency event). However, where overlap does occur, the interaction between the regimes may be particularly significant for small business failures, where asset values are low, personal guarantees are common, and the costs of parallel processes can quickly erode potential recoveries.

138 Corporate and personal insolvency are governed by separate legislative frameworks that are administered separately. Corporate insolvency focuses on the affairs of the company and the interests of company creditors. Personal insolvency focuses on the individual's estate and the interests of

personal creditors. These distinct objectives are important, particularly where there may be competing claims between the company and its directors.

139 This separation can result in a single business failure being addressed through multiple, parallel insolvency processes, often involving different practitioners, rules and objectives. This fragmentation can give rise to:

(a) parallel administrations across corporate and personal estates

(b) duplication of costs and administrative effort

(c) additional complexity for directors seeking to understand their options and obligations

(d) difficulty coordinating asset realisation, investigations and credit communications across related estates

(e) delays in resolving related issues, including where claims between the company and director need to be assessed, and

(f) reduced net returns to creditors where the costs of separate processes are disproportionate to the value available for distribution.

140 ASIC does not suggest that corporate and personal insolvency frameworks should be merged. However, there may be scope to consider whether targeted reforms could improve coordination between the two regimes in appropriate cases.

Role of pre-insolvency advice and advisers

141 Directors and individuals experiencing financial distress often seek professional advice prior to any formal insolvency process. This pre-insolvency stage is a critical decision point, where actions taken may materially affect outcomes for creditors, the viability of the business (including potential rescue outcomes) and the directors' exposure to personal financial and legal risk.

142 Access to timely and reliable advice is therefore an important feature of a well-functioning insolvency system. Appropriate pre-insolvency advice can help directors identify financial distress earlier, understand available restructuring and liquidation pathways, engage constructively with creditors, maintain books and records, and make informed decisions about whether to continue trading, restructure or appoint an external administrator.

143 This advice may be provided by a range of qualified professionals, including registered liquidators, lawyers, accountants, turnaround specialists and business advisers. In many cases, these advisers play a valuable role in supporting directors and businesses to navigate financial distress, preserve value and improve outcomes for creditors.

144 However, a significant proportion of this advisory activity occurs within a largely unregulated market. There is no single statutory framework governing who may provide pre-insolvency advice, the standards that advice should meet, or the conduct expected of advisers who are not otherwise subject to professional regulation. As a result, directors may receive advice from operators who are not subject to minimum competency, conduct, independence or oversight requirements.

145 This creates particular risks because directors seeking advice are often under significant financial, commercial and personal pressure. They may have limited time, incomplete financial information, poor books and records, competing creditor demands, taxation liabilities, personal guarantees and concern about personal exposure. In these circumstances, directors may find it difficult to assess whether advice is lawful, appropriate or in the interests of the company and its creditors.

146 The risk is not that directors seek advice before an insolvency appointment. Earlier access to reliable advice supports better outcomes, and this is strongly encouraged by ASIC. Rather, the risk is that poor-quality, conflicted or unlawful advice may influence critical decisions before an external administrator is appointed.

147 Inappropriate pre-insolvency advice may include advice that encourages directors to:

(a) delay seeking formal insolvency advice or appointing an external administrator despite clear signs of insolvency

(b) transfer assets away from the company or to related parties in a way that disadvantages creditors

(c) prefer particular creditors or related parties

(d) continue trading in circumstances where this may increase losses to creditors

(e) avoid, frustrate or undermine the proper operation of insolvency processes

(f) destroy, withhold or fail to maintain company books and records, or

(g) enter arrangements that obscure ownership of assets or the company's financial position.

148 Poor advice at this stage can produce harms that are difficult to reverse once a formal insolvency appointment occurs. Assets may already have been dissipated, records may be incomplete, creditor positions may have worsened, and directors may have taken steps that increase their own legal and financial exposure. This can reduce creditor returns, increase the cost and complexity of liquidations, and require greater reliance on investigation,

recovery and enforcement tools. This has consequences for both individual appointments, but also for the insolvency system as a whole.

149 One of the challenges in this area can be accessibility of good advice. Many small business directors may not know where to obtain reliable advice, may be unable to afford early professional advice, or may engage advisers who market themselves as providing simple solutions to financial distress. This creates an opportunity for poor-quality or opportunistic operators to influence distressed directors before appropriate professional advice is obtained.

150 On this, ASIC understands that some pre-insolvency advisers may be engaging in lead-generating tactics to inappropriately or unnecessarily encourage businesses to use their services. Similar business practices are occurring in the superannuation industry, which is a current regulatory focus for ASIC. In 2026, ASIC commenced a new review of advice licensees that use lead generation services over concerns that certain practices associated with some lead generation (including being pressured to act immediately and promises of unrealistic outcomes) exposed consumers to a risk of significant loss (26-029MR).

Creditor-defeating dispositions

151 We note that as part of the PC's terms of reference for this inquiry, it has been asked to conduct a review of the operation of Schedules 1, 3 and 4 of the *Treasury Laws Amendment (Combatting Illegal Phoenixing) Act 2020*. Schedule 1 introduced a new regime to address creditor-defeating dispositions, or CDDs. Broadly, these are dispositions of company property made for less than market value, or for less than the best price reasonably obtainable, in circumstances where the disposition prevents, hinders or significantly delays the property becoming available to creditors in a winding up.

152 The CDD regime was intended to strengthen the legal response to illegal phoenix activity and improve the prospects of recovering assets for creditors. It did this through three main mechanisms:

(a) First, the reforms introduced new offences and civil penalty provisions directed at officers and other persons involved in a creditor-defeating disposition. These provisions are intended to deter directors and advisers from engaging in, procuring or facilitating asset transfers that defeat creditor claims.

(b) Secondly, the reforms created a civil recovery pathway. A liquidator may apply to the Court for orders in relation to a creditor-defeating disposition, including orders requiring property to be returned or compensation to be paid. This pathway operates alongside existing voidable transaction provisions and provides an additional mechanism for recovering value for creditors.

(c) Thirdly, the reforms introduced an administrative pathway under which a liquidator may apply to ASIC for an order in relation to a creditor-defeating disposition. ASIC may then make an order requiring a person to return property or pay an amount reflecting the benefit received. This pathway was intended to provide a more accessible and cost-effective alternative to court proceedings, particularly in matters where the cost of litigation may otherwise be disproportionate to the value of the property transferred.

153 In relation to the new offences and civil penalty provisions, ASIC considers these to be a valuable addition to the insolvency and enforcement toolkit. ASIC has recently commenced criminal action in relation to alleged creditor-defeating dispositions, demonstrating that the provisions can play an important role in responding to serious misconduct.

154 In relation to the administrative pathway for seeking a CDD order, we note that since commencement of the provisions and until 31 May 2026, ASIC has received 48 requests from liquidators for CDD orders. Of these requests:

(a) 15 resulted in ASIC making an order [of the ASIC orders made, 2 were appealed (one resulted in a settlement, and the other appeal is ongoing)

(b) 17 were refused

(c) 5 remain under assessment

(d) 8 were withdrawn

(e) 2 are waiting on a decision, and

(f) 1 is on hold pending further investigation.

155 This level of use suggests that, while the administrative pathway has potential, it has not yet become a routine or widely used recovery tool. Based on ASIC's experience and feedback from registered liquidators, several factors appear to be constraining the practical use of the regime.

156 These include the evidentiary burden involved in establishing that a disposition meets the statutory definition, particularly where company records are incomplete, parties are uncooperative, or asset transfers occurred through informal or related-party arrangements. Liquidators may also face practical challenges in identifying the property transferred, establishing its market value or best price reasonably obtainable, and demonstrating the effect of the disposition on the availability of assets to creditors.

157 There are also enforcement challenges once an order is made. In some cases, non-monetary orders may require further steps to secure compliance or may not be straightforward to enforce without additional court involvement. This can reduce the practical utility of the administrative pathway, particularly

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where the relevant company has limited assets and the liquidator has limited funding.

158 The regime can also be difficult to apply in more complex ownership structures, including where property is held through trusts, related entities or informal arrangements. In these cases, establishing beneficial ownership, identifying the relevant disposition and determining the value transferred can be resource-intensive and uncertain.

159 The challenges outlined above in the current design of the CDD regime may:

(a) limit the regime’s ability to deter unlawful behaviour, including illegal phoenix activity

(b) reduce the potential for asset recovery for the benefit of creditors, and

(c) shift reliance onto other enforcement mechanisms, which may be less direct or timely.

160 The PC may wish to consider whether the current legislative settings for CDDs are appropriately calibrated. In particular, there may be scope to consider whether targeted reforms could improve the accessibility and effectiveness of the administrative order pathway, clarify evidentiary requirements, and reduce practical barriers to enforcement while preserving appropriate safeguards for affected parties.

161 Separately, ASIC is undertaking work within its scope to improve the operation of the regime within the current legislative settings. This includes by:

(a) reviewing and updating Information Sheet 261 *ASIC orders about creditor-defeating dispositions* (INFO 261) and the request template

(b) considering how we might implement a process to facilitate early engagement to discuss potential CDD requests, including the opportunity for RLs to meet with us before submitting a request, and

(c) taking steps to raise awareness of the CDD regime, which will likely include hosting a webinar for RLs and their staff or developing case studies to highlight how ASIC has exercised the power to make orders undoing the effect of CDDs.

Appendix A – Key ASIC regulatory roles/responsibilities relating to inquiry scope

Entry

- **Company registration (initial)** – Businesses that choose to operate using a corporate structure must register the business on the Australian Companies Register, managed by ASIC.

  Note that ASIC has a significant program underway to uplift its business registers, known as RegistryConnect.

- **Business name registration** – Businesses must register any business names (other than legal name) they are trading under on the Business Names Register, managed by ASIC.

- **Financial services and credit licensing** – Most businesses that provide credit/credit assistance are required to have a credit licence, and most that provide financial services are required to have a financial services license. ASIC administers both licensing regimes, including reviewing and deciding on licence applications.

Operate & Expand

- **Company registration (ongoing)** – companies must notify ASIC of certain changes and events. They must also complete an annual review (check their details and pay a fee).

- **Corporate and fundraising regulation** – companies are subject to a range of governance, disclosure and fundraising-related obligations. ASIC administers these obligations, including through our regulatory guidance and class relief. We also provide individual relief and are responsible for reviewing certain transactions.

- **Financial services and capital markets regulation** – businesses rely on well-functioning financial markets for access to capital to expand. As Australia's financial services and markets regulator, we have recently undertaken significant work supporting well-functioning financial markets, including a program focusing on changing dynamics in Australia's public and private markets, and an inquiry into Australia's largest market operator (ASX).

Restructure & Exit

- **Corporate insolvency regulation –** Where a company experiences financial difficulty, they may need to avail themselves of the formal insolvency pathways under the Corporations Act to either restructure or wind up the business.

  ASIC is responsible for corporate insolvency regulation. This includes registration of registered liquidators (who undertake most insolvency appointments), conduct regulation of, and administration of certain processes (e.g., assetless administration funding, making creditor defeating disposition orders, appointing reviewing liquidators, etc).

  ASIC's role and the interactions with other parts of ASIC's regulatory roles are outlined on the next slide.

- **Company deregistration processes** – depending on their circumstances, officers of a company can either wind up or apply to deregister a no-longer needed company. ASIC may also initiate deregistration in some cases (e.g., unpaid fees).

- ASIC undertakes a range of **surveillance activities** designed to understand the extent to entities are complying with the obligations that we regulate, and to identify and respond to any issues. We often release reports relating to these surveillance activities which are available on the regulatory resources page on our website.

- We also undertake **compliance and enforcement activities** to respond to non-compliance with the legislation we administer and uphold system integrity**.** Our approach to enforcement is available in INFO 151. Summary information about outcomes is available in our annual report and on our website. Individual outcomes are usually publicised in media releases available via our newsroom**.** An individual matter can raise issues across ASIC's mandate – for example, insolvency-related misconduct for a public company can raise issues relating to insolvency, governance and disclosure.

- ASIC issues **regulatory guidance** across its mandate explaining when and how ASIC will exercise specific powers under legislation, explaining how ASIC interprets the law, describing the principles underlying ASIC's approach, and giving practical guidance. This and other regulatory information to help businesses understand and comply with their obligations is available on our website.

- This regulatory guidance and information includes formal regulatory guides, information sheets, frequently asked questions and web content. ASIC has a regulatory simplification program underway which is intended, among other things, to improve access to regulatory information and make it easier to interact with ASIC. We also have a project underway to refresh our small business strategy and improve the way we **support and educate small businesses** to understand their obligations and how to comply across their business lifecycle.

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