



Australian Government

# **Australian Government response to the Senate Economics Legislation Committee Report**

Treasury Laws Amendment  
(Strengthening Financial Systems  
and Other Measures) Bill 2025

February 2026



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# Introduction

The Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 (the Bill) proposed various amendments to Treasury portfolio legislation covering a range of matters including financial market disclosures, taxation, charities regulation, energy market protections and the oversight of financial regulators.

Following introduction of the Bill into Parliament on 4 September 2025, the Bill was referred to the Senate Economics Legislation Committee (Committee) for inquiry and report. The Committee's report on the Bill was released on 19 November 2025.

The Committee's report recommended that the Bill be passed. The Government's response to the recommendations contained in the Coalition Senators' Dissenting Report and the Australian Greens' Additional Comments is set out herein. These recommendations relate primarily to Schedules 1 and 3 of the Bill.

Schedule 1 of the Bill implements the first stage of the Government's commitment to improve the transparency of beneficial ownership of companies and other legal vehicles operating in Australia. It makes a number of enhancements to the complementary substantial holding and tracing notice regimes in the *Corporations Act 2001* which govern the disclosure of interests in entities listed on Australia's financial markets.

These amendments include extending substantial holding disclosure requirements to fully cover interests arising from equity derivatives, bringing foreign incorporated entities listed on Australian markets into the scope of the regimes, streamlining and clarifying various disclosure and register requirements and enhancing the tools available to ASIC for investigation and enforcement.

Schedule 3 of the Bill implements the Government's announcement in the 2023–24 Budget to reduce the frequency of the Financial Regulator Assessment Authority's (FRAA) review cycle. The amendments change the frequency of FRAA reviews from a biennial to a five-yearly cycle. The Schedule also provides that there is no requirement that the FRAA have members at any particular time, to allow for periods between reviews where there are no members.

Changing the frequency of reviews allows the FRAA to complete more comprehensive reviews which may deliver more holistic and valuable feedback on the regulators' performance. The change also provides the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA) with sufficient time to adequately consider, respond and implement findings between reviews.

The Bill passed both Houses of Parliament on 27 November 2025 and received Royal Assent on 4 December 2025.

# Response to the recommendations

## Coalition Senators' Dissenting Report

### Recommendation 1

That the commencement for Schedule 1 be extended to 24 months beginning on the day this Bill receives Royal Assent.

#### Australian Government Response

**The Government does not support this recommendation.**

The commencement period was extended from 6 months to 12 months in consideration of stakeholder feedback received in response to exposure draft consultation.

The Government considers 12 months a reasonable time for appropriate arrangements to be made. The Government also notes that, to the extent the amendments to disclosure requirements relating to equity derivatives reflect existing requirements under the Takeovers Panel's guidance, institutions and large investors would be expected to already have a level of systems and processes in place to ensure compliance.

### Recommendation 2

That Schedule 3 of the bill be removed.

#### Australian Government Response

**The Government does not support this recommendation.**

The Government considers that Schedule 3 of the Bill, which reduces the frequency of the FRAA reviews from a biennial to a five-yearly cycle, is appropriate. Schedule 3 better targets the regulatory oversight of APRA and ASIC, allowing for more comprehensive and holistic reviews of financial system regulators. It also provides sufficient time for the regulators to respond or implement the findings of previous FRAA reviews. The change in the Schedule better balances the benefits of consistent and more comprehensive oversight of ASIC and APRA with the cost of reviews.

# Australian Greens Additional Comments

## Recommendation 1

The government should introduce legislation by the end of 2026 to establish a centralised public register of ultimate beneficial ownership for listed and unlisted entities and trusts commencing as soon as ASIC's business registers upgrade is complete.

### Australian Government Response

The Government **partially supports** this recommendation.

The passage of the amendments in the Bill to enhance disclosure around interests in listed entities delivers on the first stage of broader reforms to ensure transparency around the beneficial ownership of companies. Listed entities are typically both widely-held and frequently traded and therefore require a bespoke regulatory regime in order to ensure timely and fulsome disclosure is made regarding persons and groups who own, benefit from, and have the capacity to wield influence through, interests in these entities. This approach supports a fully informed market.

With respect to unlisted companies, the Government remains committed to implementing a public, Commonwealth-operated register of beneficial ownership to ensure appropriate transparency around who ultimately owns, controls or benefits from these entities.

However, the Government does not support the approach of seeking to introduce legislation by the specific timeframe suggested.

A crucial precondition to implementation of a register for unlisted companies is the stabilisation and uplift of the ageing technology underpinning the ASIC Companies Register to ensure it is prepared to accept and make available beneficial ownership information.

Until relatively recently the future of the business registries has been the subject of ongoing reviews or plans that have meant major investment and refresh needed to maintain and improve the existing technology ecosystem has been deferred. The most recent of these was the Modernising Business Registers (MBR) program under which the Australian Taxation Office was to build new registers and take over ASIC's registry function. The Government was forced to terminate the MBR Program in August 2023 following an independent review that found it was on course to cost up to \$2.8 billion.

ASIC's business registers are critical economic infrastructure. The Government is now addressing the historic underinvestment in the existing systems that occurred over the extended period while the future of ASIC's registries remained in doubt through the Registry Stabilisation and Uplift program. The Government has committed \$390.8 million since December 2023 to this program.

One of the key learnings from the Independent Review of the MBR Program is the importance of reducing risks arising from complex operating environments and an overload in scope. Maintaining a staged, stable and informed policy direction when delivering complex IT programs has an important role to play. The Government intends to progress policy development work on the beneficial ownership register on a timetable that is in step with ASIC's current program to stabilise and uplift its registers in order to avoid introducing new risks or disruption to the project. Any realisation of risks or disruption of this kind would only serve, in turn, to delay the delivery of the beneficial ownership register.

As such, detailed policy development on the beneficial ownership register is currently planned from early 2027 and the Government will seek to progress legislation before the end of that year. This will include adapting policy specifications outlined in previous consultations and updates to direct implementation of a public, Commonwealth operated register.

In the meantime, a number of steps are being taken to seek to ensure, as far as practicable, the project is aligned with future plans to incorporate beneficial ownership information into the Companies Register:

In December 2025, Treasury released exposure draft legislation together with a background paper seeking feedback on reforms to facilitate registry stabilisation and uplift – including the linking of Director Identification Numbers (Director ID) to the Companies Register. This includes seeking feedback on whether an adaptation of the Director ID regime may provide an appropriate mode for verifying beneficial ownership information in the future.

In the 2025–26 Mid-Year Economic and Fiscal Outlook, the Government confirmed that ASIC will commence work on updating its stabilisation and uplift technology roadmap to address the future incorporation of beneficial ownership information into the Companies Register.

These steps will help ensure, as far as practicable, that the technology ASIC is using to deliver on stabilisation and uplift of the registers, as well as to integrate Director ID, is best suited to also addressing the requirements of the future beneficial ownership register.

With respect to the beneficial ownership register for trusts, the Government will also continue policy work in 2027 on developing a beneficial ownership regime for these entities at the same time as its work on the unlisted companies register. This will help best ensure that the two regimes for unlisted entities are developed in a coherent way.

## Recommendation 2

The bill should be amended to ensure that any person can access tracing notice registers free of charge, not just members of the entity, academics and journalists.

### Australian Government Response

**The Government does not support this recommendation.**

The Government believes the Bill sufficiently supports corporate transparency by providing greater access to beneficial ownership information to interested members of the public, including providing journalists and academics, who play a key role in initiating and encouraging public debate, with fee-free access to tracing notice registers.

The Government does not consider it is necessary to extend access to tracing notice registers to any person without charge. Importantly, in the context of listed entities, the substantial holding disclosure regime means that up to date information on persons or groups with interests exceeding 5 per cent voting power in a listed entity (including interests arising from any kind of equity derivative, as set out in the Bill) is already available to the public for free from the market operator's market announcements platform. Details of substantial holders from these notices are also consolidated in listed entities' Annual Reports under applicable listing rules.

Moreover, the fees that apply for inspection of the tracing notice register currently align with those applicable to inspection of the company's register of members.

## Recommendation 3

The bill should be amended to allow ASIC to issue tracing notices without having to demonstrate that it has reasonable grounds that a person has relevant interests in, or has given instructions, about securities.

### Australian Government Response

**The Government does not support this recommendation.**

ASIC was consulted throughout the development of these reforms and have not raised concerns that the 'reasonable grounds' requirement will impede their ability to use their expanded tracing notice power in their regulatory efforts to ensure compliance with beneficial ownership disclosure obligations.