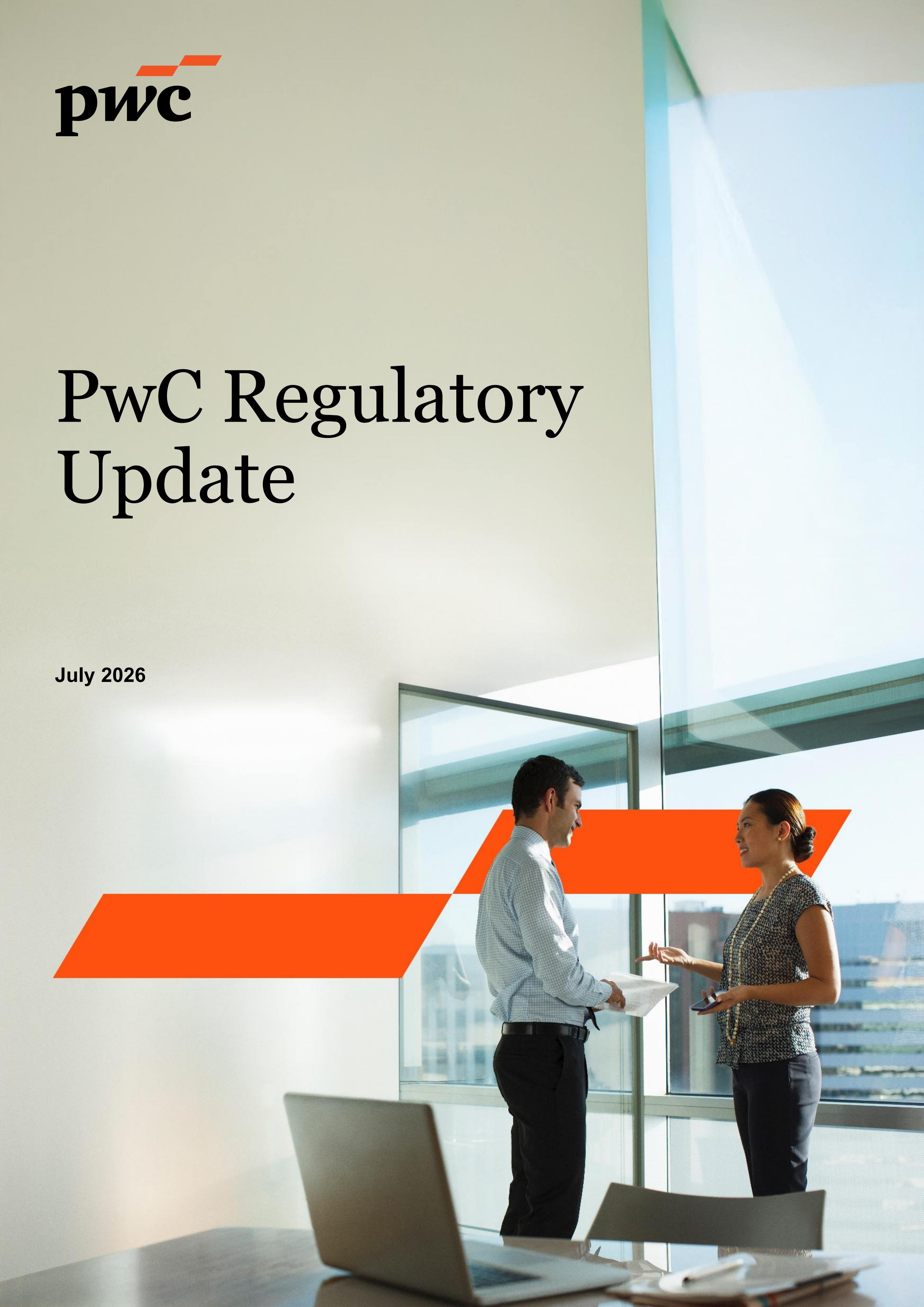
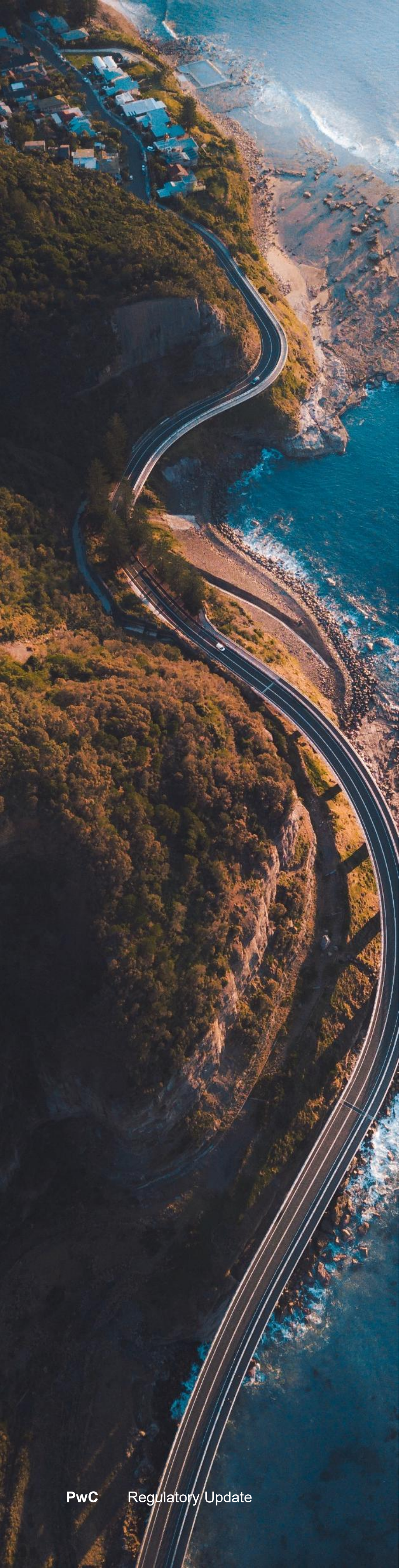


PwC Regulatory Update

July 2026



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01

What have the regulators been up to?

What have the regulators been up to?

ASIC – Australian Securities and Investment Commission

Opening remarks at ASIC Financial Markets Innovation Roundtable

At the ASIC Financial Markets Innovation Roundtable, Chair Sarah Court highlighted rapid innovations like crypto assets and decentralised markets are challenging existing regulations. ASIC believes current laws are flexible enough to support new products without frequent rewrites. ASIC aims to foster innovation by offering clear guidelines, better coordination, and regulatory certainty. Balancing innovation with consumer protection remains a priority. ASIC is committed to evolving Australia's capital markets to enhance productivity and meet the modern economic needs.

Source: ASIC

ASIC pushes for coordinated action to strengthen competitiveness of Australian markets

ASIC is convening market leaders to strengthen Australia's capital markets amid rapid innovation in automation, AI, and blockchain. ASIC emphasises the need for modern, resilient infrastructure and clear regulatory pathways to support responsible innovation while protecting investors. Challenges include managing concentration and cyber risks. ASIC aims to balance innovation with market stability and integrity, promoting collaboration between regulators and industry. This roundtable builds on ASIC's ongoing efforts to foster a dynamic, efficient, and globally competitive financial system.

Source: ASIC

Productivity is a team sport: ASIC's contribution from in goals

ASIC contributes to Australia's productivity by simplifying regulation, supporting innovation, aiding law reform, and collaborating on regulatory improvements. Efforts focus on reducing compliance burdens while maintaining consumer protections and market trust. Key initiatives include digitalising processes, enhancing ASIC's Innovation Hub and regulatory sandbox, and participating in the Council of Financial Regulators' Better Regulation Roadmap to streamline data sharing. ASIC also supports law reforms and the Productivity Commission's work on business dynamism, particularly around insolvency processes. Overall, ASIC sees productivity as a collective effort, aiming to improve regulatory quality and efficiency to support economic growth and innovation.

Source: ASIC

ASIC Chair Sarah Court speaks at ABA Conference

ASIC Chair Sarah Court, in a discussion at the ABA Conference, reflected on ASIC's evolution over five years, emphasising strengthened enforcement, regulatory simplification, and a focus on consumer outcomes, especially addressing systemic failures in large financial institutions. Court highlighted the importance of balancing innovation and risk, particularly with AI's rise, while maintaining trust and basic service standards. Key priorities include tackling scams, financial hardship, and improving flexibility for older Australians accessing credit. Court stressed that while ASIC supports innovation, the basics must not be neglected to preserve trust. Collaboration with the banking sector remains vital, alongside maintaining strong regulatory oversight.

Source: ASIC

ASIC helps strengthen the fight against imposter scams in financial services

ASIC is combating financial service imposter scams by publishing verified website addresses of over 6,500 Australian Financial Services (AFS) licensees on its Professional Registers Search (PRS). This helps consumers and businesses identify genuine websites and avoid scams. ASIC urges all AFS licensees to provide their website details and may use compulsory powers if needed for a complete register. The initiative supports safer online advertising verification and complements ASIC's broader scam prevention efforts. Consumers are advised to verify websites via PRS before investing and report impersonation scams to Scamwatch. New resources also assist businesses targeted by scams.

Source: ASIC

APRA - Australian Prudential Regulation Authority

APRA releases Monthly Authorised Deposit-taking Institution Statistics for May 2026

APRA has published its monthly Authorised Deposit-taking Institution Statistics (MADIS) publication for May 2026. This publication provides selected information on the banking business of individual banks within the domestic market and are accessible on the APRA website.

Source: APRA

APRA publishes updates to FAQs on superannuation data reporting

APRA has added seven new FAQs to its superannuation data reporting guidance, aimed at assisting RSE licensees with the Superannuation Data Transformation. These FAQs clarify reporting standards, requirements, timelines, and common queries to promote accurate and consistent reporting. While the guidance is not yet legally enforceable, APRA plans to incorporate it into formal reporting standards over time. The FAQs are regularly updated, with incorporated questions archived for reference, supporting RSE licensees in meeting APRA's reporting expectations.

Source: APRA

Quarterly Superannuation Product Statistics

APRA publishes Quarterly Superannuation Product Statistics (QSPS) to enhance transparency in the superannuation industry. Using new reporting standards from Phase 1 of the Superannuation Data Transformation project, QSPS provides detailed data on all superannuation products offered by APRA-regulated funds. The publication is available on APRA website and includes information on investment menus, fees, costs, investment performance, strategy, and asset allocation, helping stakeholders assess and compare superannuation offerings.

Source: APRA

APRA releases general insurance risk margin statistics

APRA has released general insurance risk margin statistics for the year ending 30 June 2025. The report offers detailed insights into risk margins used by general insurers across various business classes, covering outstanding claims, premium liability margins, and distinctions between direct and reinsurance business. It also highlights diversification benefits and portfolio characteristics. These statistics aim to support benchmarking and provide industry participants, including actuaries, with enhanced visibility into current insurance risk margin practices. The publication is available on APRA website.

Source: APRA

APRA sets out minimum expectations to strengthen industry readiness for geopolitical shocks

APRA has issued minimum expectations to banks, insurers, and superannuation funds to strengthen readiness for geopolitical shocks such as trade restrictions, sanctions, and conflicts. Despite awareness of these risks, APRA and the Council of Financial Regulators have identified gaps in practical risk management, including insufficient consideration of sanctions and market restrictions in business plans, underdeveloped board expertise on emerging risks like AI, and inadequate crisis preparedness exercises. APRA’s expectations cover non-financial risks like foreign interference and cyber attacks, as well as traditional financial impacts through capital and liquidity planning and stress testing. Chair John Lonsdale emphasised the importance of embedding geopolitical risk into governance frameworks.

Source: APRA

Strengthening readiness for geopolitical shocks

APRA highlights the growing threat of geopolitical shocks to Australia’s financial system, urging regulated entities to enhance readiness through improved governance, risk management, and crisis preparedness. While many entities recognise geopolitical risks, APRA found gaps in how these are integrated into business plans, especially regarding sanctions, cyber risks, and third-party dependencies. APRA sets minimum expectations across enterprise risk, operational resilience, personnel security, political risk, financial resilience, and crisis response. APRA will conduct targeted assessments for larger exposed entities, while others should adopt proportionate risk-based approaches, with supervisory actions planned for those with weaknesses.

Source: APRA

APRA Chair John Lonsdale's speech to the 2026 ABA Banking Conference

APRA Chair John Lonsdale warned at the 2026 ABA Banking Conference that rising geopolitical risks pose significant threats to Australia's financial stability and there is a need for improved governance, risk management, and crisis preparedness despite strong capital reserves. APRA is setting minimum expectations for institutions to address vulnerabilities through scenario planning and operational resilience. Lonsdale emphasised ongoing vigilance and adaptation to evolving threats to ensure a robust financial system amid global uncertainties.

Source: APRA

APRA and ASIC announce FAR changes to reduce administrative burden

APRA and ASIC will streamline the Financial Accountability Regime (FAR) to reduce regulatory burdens without compromising accountability. Proposed changes include removing key functions from FAR rules, raising thresholds for notifying changes, and simplifying accountability maps, cutting reporting for about 4,500 accountable persons. ASIC will also ease licensing evidence requirements for around 2,000 financial services licensees. These reforms align with the Government's Better Regulation agenda and ASIC's regulatory simplification efforts, aiming to balance clarity, efficiency, and consumer protection. Consultations are underway, with implementation expected by the end of 2026.

Source: APRA

RBA – Reserve Bank of Australia

Review of Payments System Regulation

The RBA has launched a Review of Payments System Regulation, inviting stakeholder input on priority payment policy issues amid significant innovation in the payments landscape. The review follows expanded legislation coverage and aims to ensure regulation promotes public interest, considering competition, efficiency, and financial safety. Key topics include merchant payment choices, account-to-account payments, mobile wallets, buy now pay later services, and fraud prevention. Submissions close by 7 August 2026, with priorities published by year-end and further consultations planned for mid-2027.

Source: RBA

ACCC – Australian Competition & Consumer Commission

ACCC Address to 2026 AFIA Risk Summit

Commissioner Woodward outlined the ACCC's approach to competition and consumer protection in a rapidly changing digital environment, emphasising "right-sized regulation“ – rigorous where harm is greatest, proportionate elsewhere.

Key points :

- Competition and consumer trust are linked: well-functioning markets depend on consumers having genuine choice and confidence in it.
- Digital markets (a current priority): using tools like court-enforceable undertakings (e.g. Equifax) on the competition side, and targeting subscription traps, dark patterns and unsafe goods on the consumer side.
- Unfair trading reforms before Parliament would prohibit unfair conduct and strengthen subscription/fee disclosure rules — effective July 2027 if passed.
- CDR, Digital ID and scams: CDR use grew 71% in H2 2025; the ACCC balances guidance with enforcement (penalties issued to NAB and CBA). The Scams Prevention Framework introduces sector-wide obligations from March 2027.
- Competition law collaborations: a new framework allows streamlined exemptions for business coordination during national emergencies, with safeguards retained.

The ACCC will act decisively against genuine harm, stay proportionate in evolving markets, and engage closely with industry.

Source: ACCC

AFCA – Australian Financial Complaints Authority

AFCA authorised as External Dispute Resolution service for Scams Prevention Framework

AFCA will serve as the single, centralised External Dispute Resolution (EDR) scheme for scam complaints under Australia's new Scams Prevention Framework (SPF). This framework expands AFCA's jurisdiction to cover banks, telecommunications companies, and digital platforms, addressing modern scams that often involve multiple sectors. From September 1, 2026, designated organisations must join AFCA, enabling consumers to access independent resolution if internal processes fail.

AFCA will begin handling complaints in this system from March 31, 2027. It recently appointed David Lacey as its first Chief Scams Officer to establish the new scams EDR scheme. AFCA's extensive experience with complex cases positions it to deliver a robust, fair, and accessible process, reflecting the serious impact and sophistication of scams today.

Source: AFCA

02

Industry bodies

Industry bodies

ABA – Australian Banking Association

APRA capital reforms a potential boost to the economy

The Australian Banking Association (ABA) supports APRA's consultation paper on proposed changes to bank credit risk capital settings. These changes aim to make capital frameworks more efficient and better reflect lending risks, thereby supporting increased lending and economic growth, such as new housing and critical infrastructure. ABA CEO Simon Birmingham emphasizes that the reforms will allow banks to lend confidently without weakening the banking system's stability. The ABA will work collaboratively with APRA to ensure the changes benefit customers, businesses, and the broader economy. Recent reports highlight the banks' vital role in Australia's economy, with strong competition saving mortgage holders money and significant lending to first home buyers. The ABA remains committed to balancing robust prudential standards with the need for banks to support Australia's economic priorities.

Source: ABA

Economic contribution of Australian banks laid bare in new report

A new report from the ABA, produced by Mandala, highlights the crucial role banks play in Australia's economy. Key findings include record household ownership of Australian banks, with 65% now owned by households, and investments nearly doubling over 15 years. Strong banks enable increased lending to home buyers and businesses, supporting over 580,000 jobs and generating $110 billion in economic activity last year.

Competition among banks has led to high refinancing rates, allowing mortgage holders to save up to $2,000 annually, and making credit for small businesses more affordable. Lending to first home buyers and the agricultural sector is at record levels, while ongoing regulatory reforms aim to enhance efficiency and stability. The report underscores the importance of maintaining a strong, competitive banking sector to foster economic growth, job creation, and better financial outcomes for households.

Source: ABA

ABA welcomes changes to streamline the Financial Accountability Regime

Australian banks support APRA and ASIC's proposal to reduce regulatory burdens associated with the Financial Accountability Regime (FAR), as announced in the 2026-27 Federal Budget. ABA CEO Simon Birmingham praised the move as a practical measure to streamline reporting, lower administrative costs for banks and regulators, and ensure accountability without excessive paperwork.

The reforms are part of broader government efforts to improve regulation and level the playing field for smaller and medium-sized banks. Banks are ready to collaborate with regulators to balance compliance and accountability. Additionally, APRA's proposed changes to credit risk capital settings may boost lending and productivity while maintaining financial stability. The ABA continues to highlight the economic value of banking and supports reforms that strengthen banks while protecting customers.

Source: ABA

03

Overseas developments

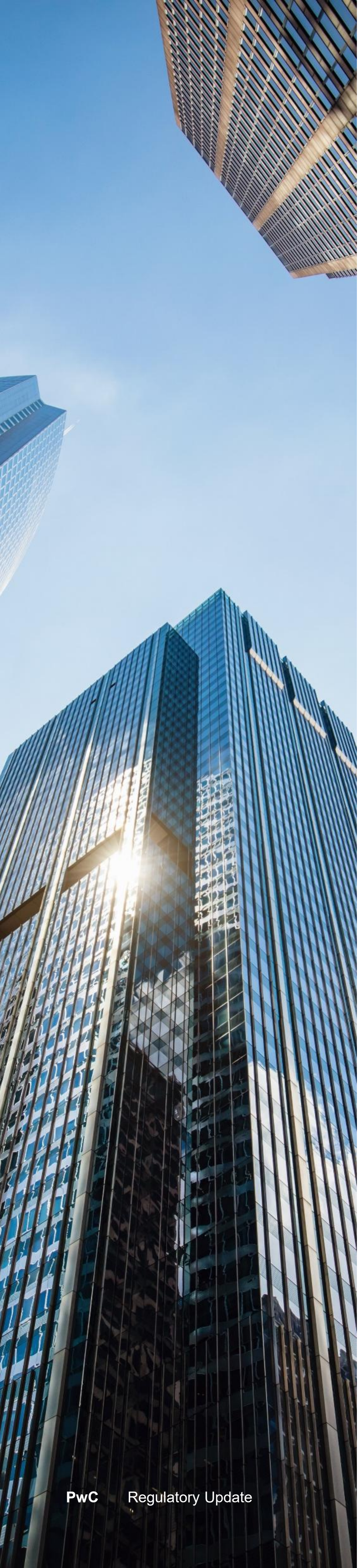
Overseas developments

Global

FSB consults on sound practices for the responsible adoption of artificial intelligence (AI)

The Financial Stability Board (FSB) has published a consultation report outlining 12 sound practices to guide the responsible adoption of AI by financial institutions, emphasizing AI-specific risks and financial stability. These practices aim to foster cooperation among stakeholders without imposing prescriptive international standards and are compatible with existing FSB and standard-setting bodies' work. The FSB encourages board and senior management to reference this toolkit when considering business strategy and risk management. The practices do not address all emerging frontier AI model risks but offer guidance for current challenges. Public feedback on the consultation report is invited by 22 July 2026, with the final version to be released in October 2026. The FSB's ongoing efforts illustrate its commitment to international collaboration for financial sector stability as AI technology rapidly evolves.

Source: FSB



Europe

The EBA clarifies its Product Oversight and Governance Guidelines which address greenwashing risks in ESG products

The European Banking Authority (EBA) has published revised Guidelines on product oversight and governance (POG) for retail banking products, focusing on ESG (environmental, social, and governance) features and greenwashing risks. The updated Guidelines clarify standards for designing and distributing ESG-related products, aiming to protect consumers from misleading information and unsuitable products. Key amendments make ESG and greenwashing considerations explicit throughout the product lifecycle, covering target market identification, distribution channels, internal controls, and information for distributors and manufacturers. Non-substantive updates also align the Guidelines with recent regulatory changes and remove outdated provisions. The Guidelines will apply from January 2027 and be available in 24 languages. They reflect the growing importance of ESG products and address conduct risks to maintain high consumer protection standards in retail banking, in line with the EBA's mandate to ensure consistent application of EU law.

Source: **EBA**

The EBA publishes its 2025 Report on supervisory convergence, supporting a simpler and more efficient EU prudential framework

The EBA published its 2025 Report on supervisory convergence, highlighting progress towards harmonizing supervisory practices across the EU. Key achievements include increased alignment in prudential supervision, resolution preparedness, digital finance, consumer protection, and anti-money laundering efforts. The EBA advanced resilience testing and digital operational resilience, supported regulatory initiatives like Basel III, CRR3, MiCA, and DORA, and enhanced risk-based supervision and cross-border coordination. The Authority also developed a new EU-wide payment fraud database and delivered extensive training, promoting best practices. Looking ahead, the EBA will focus on implementing Basel III reforms, advancing resolution frameworks, and strengthening supervision under DORA and MiCA, aiming to boost financial stability and regulatory efficiency. This report underscores the EBA's commitment to transparency, simplification, and safeguarding a consistent and robust EU banking sector.

Source: **EBA**

EBA updates Pillar 3 disclosure requirements on ESG risks, equity and shadow banking exposures, as part of simplification effort

The EBA has published its final draft Implementing Technical Standards (ITS), amending the Pillar 3 disclosure framework to enhance environmental, social, and governance (ESG) risk disclosures, and introduce new requirements for equity and shadow banking exposures. These ITS fulfill the Capital Requirements Regulation (CRR 3) mandates, align with the European Sustainability Reporting Standards (ESRS), and support the EU's regulatory simplification agenda. Key changes include a proportional "core plus supplement" approach, reducing ESG datapoints for large, medium, and small institutions, minimizing duplication, and enabling cross-referencing between Pillar 3 and ESRS disclosures. The EBA will centrally handle ESG disclosures for small and non-complex institutions. The ITS will apply from December 2026 (2027 for SNCIs), subject to further adjustments. The initiative aims to strengthen regulatory efficiency, integrate reporting, and support Basel III reforms.

Source: **EBA**

The EBA publishes its 2025 Annual Report outlining key achievements

The EBA 2025 Annual Report highlights significant progress in streamlining the EU regulatory framework, expanding its supervisory role, and strengthening the banking sectorâ€™s resilience. Key achievements include simplifying the Single Rulebook, supporting the roll-out of Basel III reforms, and implementing targeted ESG disclosure adjustments. The EBA confirmed European banks' resilience through a comprehensive stress test and advanced data modernisation with the launch of the Pillar 3 Data Hub. Under new mandates, the EBA took on greater oversight under the Digital Operational Resilience Act (DORA) and Markets in Crypto-Assets Regulation (MiCA), overseeing key ICT third-party providers and defining procedures for crypto-asset issuers. Consumer protection remained a focus, with initiatives on instant payments and digital finance risks. The report also notes strengthened supervisory convergence across the EU. A consolidated report with further details will be released in June 2026.

Source: **EBA**

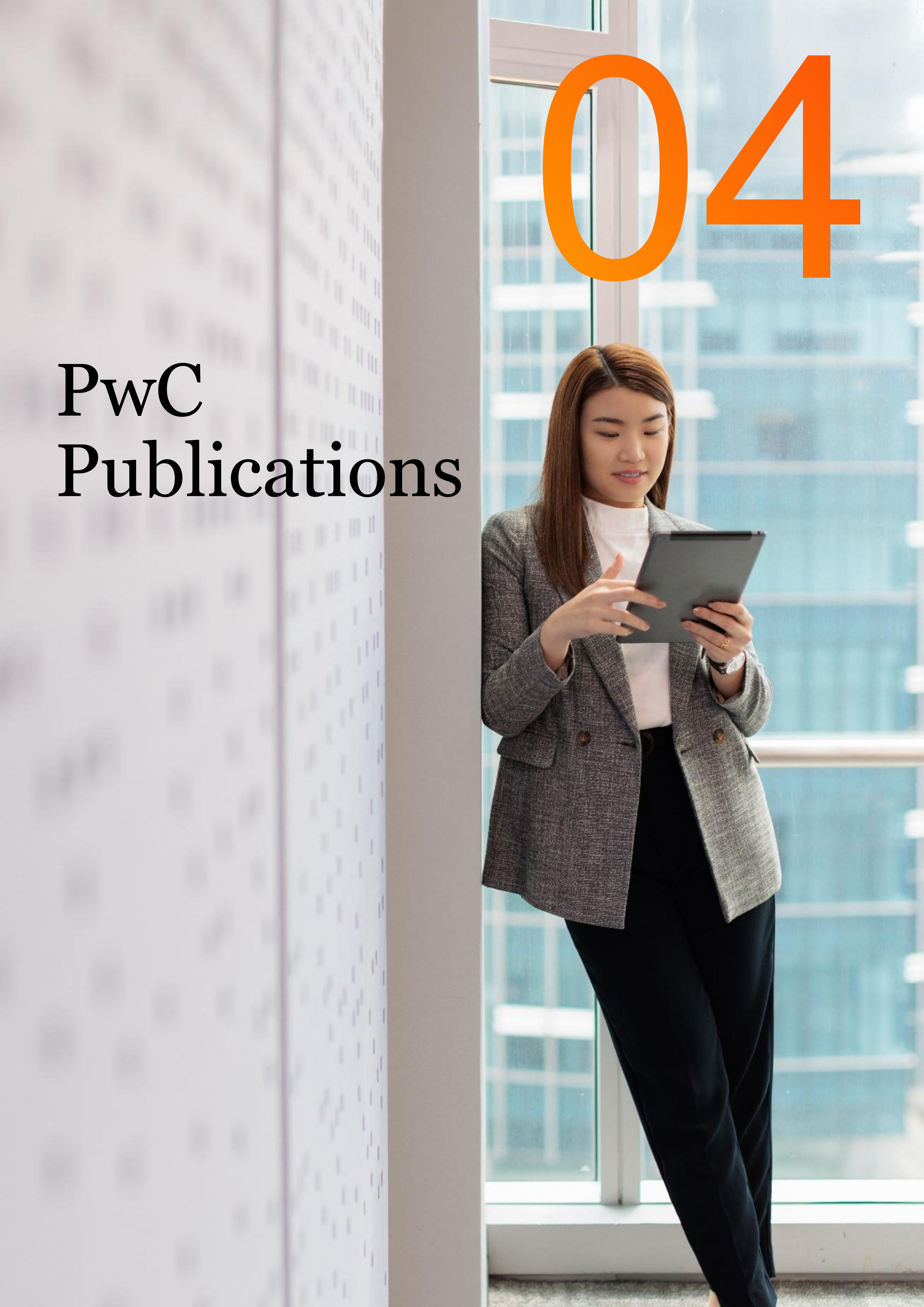
Climate-related financial disclosures

The European Central Bank (ECB) and national central banks across the Eurosystem have published annual climate-related financial disclosures since 2023. These disclosures provide transparent, reliable data on the environmental impact and climate risks of their financial portfolios, enabling effective climate action. They track progress toward decarbonisation in line with the Paris Agreement and EU climate neutrality targets under the European Climate Law. Each central bank releases reports detailing their responsible investment strategies and climate risk management, enhancing accountability and supporting sustainable finance across the EU. This unified approach underscores the importance of reliable data for measuring climate impact and informs efforts to mitigate climate change throughout the European financial system.

Source: **ECB**

04

PwC Publications



PwC Publications

Transformation Risk insights

PwC's latest analysis highlights transformation risk as an increasingly important regulatory and compliance priority for organisations pursuing major change programmes. As businesses accelerate digital, operational and strategic transformation, regulatory scrutiny is intensifying across areas such as artificial intelligence, data governance, tax, operations and M&A integration.

PwC's June 2025 Pulse Survey found that 34% of technology leaders now rank transformation risk as a top-three barrier to success, ahead of challenges such as technical debt and resourcing.

Regulatory exposure is most acute where transformation involves AI, tax, data governance or cross-border operating changes. Weak controls can create inherited compliance gaps in acquisitions, data integrity issues, delayed remediation, regulatory notices and disclosed material weaknesses. The report recommends a portfolio view of change, with governance that tracks dependencies, decision rights and control ownership across programmes. Data accountability should cover sourcing, movement, protection and use throughout the lifecycle.

For regulated businesses, resilience remains a core requirement. Critical services need tested recovery plans and clear escalation paths so operational incidents do not become compliance failures. Boards and executives should assess whether transformation reporting measures outcomes, control effectiveness and regulatory readiness, not only budget and milestone delivery. This supports earlier risk identification and remediation.

See: Publication

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Thank you

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