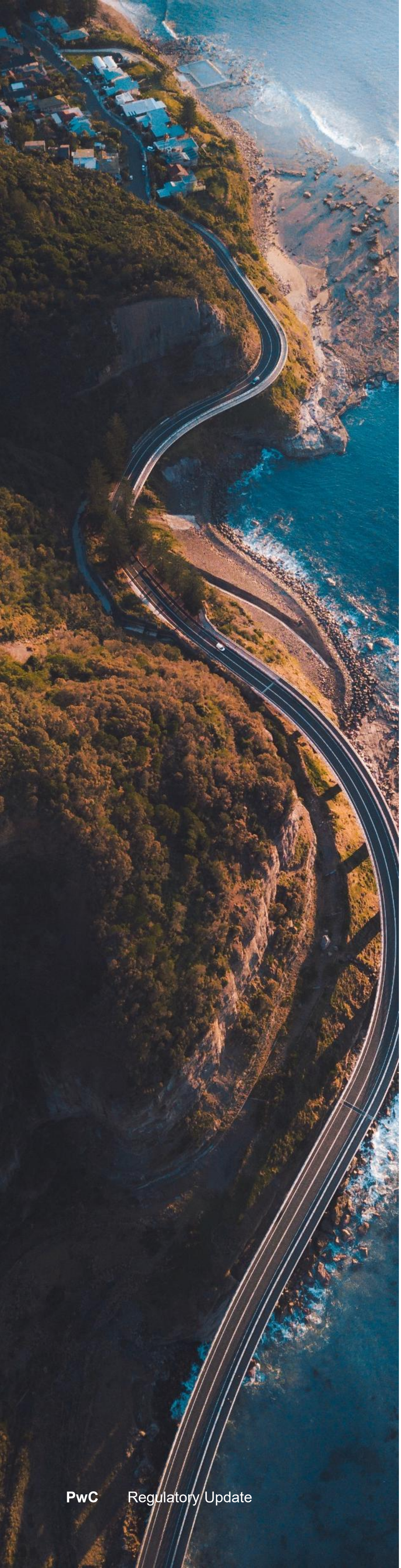
PwC Regulatory Update

August 2026



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Legislative/ Government developments

Legislative/ Government developments

Statutory review of tax and corporate whistleblowing

The ongoing statutory review of tax and corporate whistleblowing laws, mandated by Section 1317AK of the Corporations Act 2001, evaluates whether current whistleblowing frameworks under the Corporations Act and the Taxation Administration Act 1953 are effective and fit for purpose. Following amendments made in 2019 to strengthen protections and consolidate regimes, the review focuses on the scope, operation, administration, and regulation of these laws, assessing their ability to encourage whistleblowing and deter misconduct. It also examines how these regimes interact with other whistleblowing frameworks.

Public consultation is open until 29 July 2026, with opportunities for roundtable participation or confidential discussions. The review excludes public sector and other private sector whistleblowing regimes. Treasury will hold roundtables during the consultation period and compile findings into a report for Parliament, aiming to identify issues, gaps, and improvements in the tax and corporate whistleblowing systems to enhance access to justice and regulatory effectiveness.

Source: Treasury

02

What have the regulators been up to?

What have the regulators been up to?

ASIC – Australian Securities and Investment Commission

ASIC announces changes to net tangible assets requirement for responsible entities

ASIC will increase the net tangible asset (NTA) requirements for responsible entities of registered managed investment schemes, IDPS operators, and corporate directors of retail CCIVs, reflecting inflation from June 2013 to March 2026. Starting 1 July 2027, thresholds will include annual indexation to stay current. ASIC selected the approach based on widespread support from industry feedback, aiming to restore threshold value and uphold regulatory objectives. Regulatory Guide 166 and ASIC Instrument 2023/647 will be amended accordingly. The NTA requirement is designed to align fund operators interests with members and ensure operational resilience but does not guarantee prevention of business failure or investor compensation. The adjustments follow consultation to balance market competition and innovation.

Source: ASIC

ASIC paves the way for greater transparency of listed entity ownership and control

ASIC has streamlined compliance with new enhanced beneficial ownership reforms, aiming to boost transparency regarding who owns or controls listed entities in Australia. Key changes include introducing a consolidated Substantial Holding Notice (SHN) form, simplifying calculations for deemed economic interests and short positions, and implementing an index-based register format. From 4 December 2026, listed entities must adhere to stricter disclosure obligations, with transitional use of new and replacement forms until 4 June 2027. Updated regulatory guidance (RG 5, RG 9, RG 222, among others) aligns with ASIC's objective of reducing regulatory burden and improving corporate transparency. ASIC is also developing a web-based submission portal and has registered relevant legislative instruments to support these reforms. These measures aim to facilitate market efficiency, oversight, and transparency in Australia's financial markets.

Source: ASIC

Hidden mortgage offset failures costing Australians millions in lost interest savings

ASIC's review of eight banks covering over 70% of Australia's home loan market found significant weaknesses in the management of mortgage offset accounts, resulting in customers unknowingly paying more interest and missing out on promised savings. Over $55 million in compensation has been paid since September 2023, with more expected as banks continue remediation. Key issues identified include poor account set-up, linking errors, lack of customer visibility, inconsistent detection of failures, and slow compensation. Nearly 3.3 million households hold mortgages, with $349.1 billion in offset accounts as of March 2026. ASIC urges customers to check their offset accounts are properly linked and delivering expected savings and advises banks to urgently strengthen controls and remedy affected customer accounts. Further oversight and regulatory action will follow as ASIC monitors banks' responses.

Source: ASIC

ASIC releases key themes and areas of focus from its Financial Markets and Innovation roundtable

On 30 June 2026, ASIC hosted a roundtable with 32 industry, academic, and public sector representatives to discuss advancing Australia's capital markets. Key themes included preparing for global competition, innovation driven by technologies like AI and distributed ledgers, reducing market costs and barriers, and strengthening market foundations. Participants emphasized improving market infrastructure, clearing, settlement, and regulatory settings to both protect investors and support innovation. Tokenization, real-time trading, and broadening access to products were highlighted as priorities. Maintaining trust and strong investor protections, especially amid digital transformation, was deemed essential. The event was part of ongoing efforts to ensure Australia's capital markets remain efficient, resilient, and globally competitive, with ASIC planning further workshops and collaborative actions to address structural issues and promote responsible innovation.

Source: ASIC

AUSTRAC - Australian Transaction Reports and Analysis Centre

Anti-money laundering and counter terrorism laws cover thousands more businesses

From 1 July 2026, Australia's anti-money laundering and counter-terrorism financing (AML/CTF) laws now cover tens of thousands more businesses, including real estate agents, lawyers, conveyancers, accountants, and dealers in precious metals and stones. These sectors are crucial in financial transactions often exploited by criminals to launder illicit funds through property purchases and complex company structures.

AUSTRAC emphasises that expanding AML/CTF obligations to these industries aims to close gaps, increase scrutiny on high-risk transactions, and disrupt criminal money flows early. Businesses must implement AML programs, appoint compliance officers, train staff, and enroll with AUSTRAC by 29 July. Non-compliance risks regulatory action.

The reforms strengthen Australia's financial crime defenses, targeting over $60 billion in annual illicit profits laundered domestically. AUSTRAC supports businesses with guidance, digital tools, and ongoing assistance to ensure effective compliance and collaboration in combating financial crime.

Source: AUSTRAC

APRA - Australian Prudential Regulation Authority

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

APRA has published its monthly Authorised Deposit-taking Institution Statistics (MADIS) publication for June 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 consults on additional minor updates to the prudential and reporting framework

APRA has opened a consultation on minor updates to the prudential and reporting framework affecting authorised deposit-taking institutions (ADIs), general, life, and private health insurers, as well as registrable superannuation entity (RSE) licensees. The proposed changes focus on technical clarifications and do not involve material policy shifts. This consultation forms part of APRA's ongoing process to ensure timely, precise updates to the prudential framework. Stakeholders are invited to submit feedback by 21 August 2026. Relevant documents, including draft standards and guidance, are available on APRA's website.

Source: APRA

Proposed updates to superannuation reporting standards

APRA is seeking feedback on proposed amendments to superannuation reporting standards SRS 533.0 (Asset Allocation) and SRS 610.2 (Membership Profile), along with updated definitions in SRS 101.0. These changes support the migration from the legacy Direct to APRA (D2A) system to APRA Connect, aiming to reduce duplication by removing now-unnecessary data fields and revoking Reporting Standard SRS 001.0. Key revisions include removing overlapping data already collected in other forms and retaining critical data for MySuper products. APRA proposes these data collections be non-confidential and invites submissions by 21 August 2026. The transition to APRA Connect will start with test environments in November 2026, with the first submissions due in December 2026. APRA will review feedback and finalize implementation plans, promoting enhanced data quality, security, and streamlined reporting for the superannuation sector.

Source: APRA

ACCC – Australian Competition & Consumer Commission

More low-income Australians to benefit from low or no-fee bank accounts

The ACCC has issued a final determination authorising Australian Banking Association (ABA) member banks to continue collaborating under the Banking Code of Practice, with new conditions aimed at broadening access to low and no-fee bank accounts for low-income Australians. Banks must now proactively offer these accounts to eligible new customers, identify and migrate existing eligible customers (with an opt-out option), and refrain from charging interest on informal overdrafts for these accounts.

The decision follows ASIC research revealing over 150,000 eligible low-income customers remained on higher-fee accounts, incurring $6 million in unnecessary fees annually. ACCC Deputy Chair Mick Keogh emphasised that banks must actively help customers access cheaper options, not merely make them available.

The authorisation also permits banks to suspend default interest on agricultural loans during droughts or natural disasters, supporting farmers facing financial hardship. Granted for five years, the authorisation requires annual ABA reporting to the ACCC.

Source: ACCC

RBA – Reserve Bank of Australia

A2A Payments Roundtable Releases Vision for Account-to-Account Payments in Australia

On 8 July 2026, the Account-to-Account (A2A) Payments Roundtable—comprising AusPayNet, Australian Payments Plus, the Reserve Bank of Australia and Commonwealth Treasury—released its finalised vision for Australia's A2A payments system. Shaped by extensive stakeholder consultation, the vision calls for a trusted, resilient payments system supporting competition, innovation and productivity across the economy.

The vision identifies five key outcomes for end-users: safety, reliability, affordability, ease of use and inclusivity. To achieve these, the system must be secure, highly available, feature-rich, accessible, commercially viable and appropriately standardised, underpinned by collaborative governance.

Stakeholders broadly supported the vision's direction but sought clarity on implementation. Attention now turns to developing an A2A payments roadmap, outlining deliverables, timelines and governance arrangements. Structured consultation mechanisms will engage banks, payment providers and end-users throughout this process.

Source: RBA

02

Industry bodies

Industry bodies

ABA – Australian Banking Association

Banks welcome growth mandate for financial regulators

Australian banks welcome the government's new Statements of Expectations for regulators APRA and ASIC, prioritizing economic growth, proportionate regulation, and reducing regulatory burdens. ABA CEO Simon Birmingham highlights the importance of balanced implementation that maintains the financial system's stability and customer protections. These mandates, aligned with international standards, aim to boost competitiveness and domestic growth, with requirements for public reporting to ensure accountability. Notably, proportional regulation for smaller banks will foster competition and consumer choice. Additionally, a recent ASIC review found mortgage offset accounts operate correctly in over 99% of cases but advised borrowers to check for potential overpaid interest. The banking industry supports ongoing regulatory reform and commits to collaborating with regulators and government to advance these initiatives.

Source: ABA

03

Overseas developments

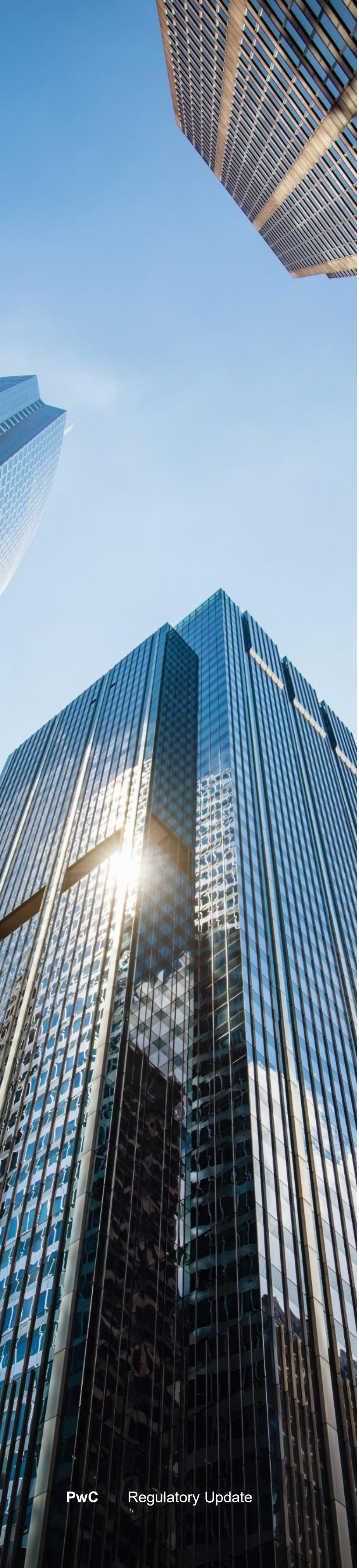
Overseas developments

Global

Opening remarks on sound practices for artificial intelligence

The Financial Stability Board (FSB) has released a consultation report detailing sound practices for the responsible adoption of Artificial Intelligence (AI) by financial institutions. Chaired by Michelle W. Bowman, the report emphasizes the importance of public engagement, proportionality, and materiality when assessing AI use, ensuring governance and controls are tailored to each institution's size and risk profile. The FSB encourages feedback to refine the guidelines, aiming for balanced oversight that supports responsible innovation while maintaining safeguards, especially for higher-risk uses. Collaboration across international and US agencies (including the Federal Reserve, Treasury, and SEC) has informed the report, which will be finalized later this year as a US G20 deliverable to promote safe and effective AI integration in the financial sector.

Source: FSB



Europe

EBA, EIOPA and ESMA call for enhanced governance and consistent supervision to mitigate ICT risks from frontier AI models in the EU financial sector

The European Supervisory Authorities (EBA, EIOPA, ESMA) have issued a statement urging a coordinated, risk-based approach to supervise and mitigate ICT risks from frontier AI models in the financial sector. The statement aligns with EU cybersecurity and AI initiatives and draws on recent guidance from various regulatory bodies. Key recommendations include strengthening operational resilience, emphasizing robust governance and risk management frameworks, and enhancing prevention, detection, and management of cyber risks related to AI. The ESAs also provide updates on ongoing oversight activities under DORA for critical third-party ICT providers. Both financial institutions and regulators are encouraged to use this guidance to support supervisory dialogue and ensure the EU financial system remains resilient against emerging AI-driven risks.

Source: EBA

The EBA seeks feedback on the 4.4 draft technical package of its reporting and disclosure framework

The European Banking Authority (EBA) has released a draft technical package for version 4.4 of its reporting and disclosure framework. Key updates include new reporting requirements aligned with IFRS 18, updates to Pillar 3 ESG disclosures, integration of FRTB disclosure templates, and technical amendments for resolution planning and anti-money laundering (AML) eligibility. The first reporting dates for these changes are in 2026 and 2027. This early release allows financial institutions time to prepare and provides an opportunity for stakeholder feedback until 24 August 2026. The draft also supports the ongoing transition to Data Point Model (DPM) 2.0 and introduces a new DPM glossary. The final package, reflecting feedback and further updates, will be published in September 2026. This phased approach aims to ensure smooth adaptation to significant supervisory reporting changes.

Source: EBA

UK

FCA finalises rules to cut firms' transaction reporting costs by over £100m a year

The FCA has introduced revised transaction reporting rules to make requirements smarter, simpler, and more proportionate. The changes aim to maintain high-quality data for monitoring market abuse while removing low-value or duplicative reporting, reducing the regulatory burden and annual costs by over Â£100 million. Key measures include reducing reporting fields from 65 to 52, excluding foreign exchange derivatives, scrapping reporting for 7 million instruments traded only on EU venues, and shortening the historical error correction window from five to three years. Firms have until April 2028 to adapt, with a flexible approach for early implementation. The FCA will continue collaborating with the Bank of England and Treasury to harmonise regulations. These updates are designed to support market oversight, cut compliance costs, and enhance UK competitiveness.

Source: **FCA**

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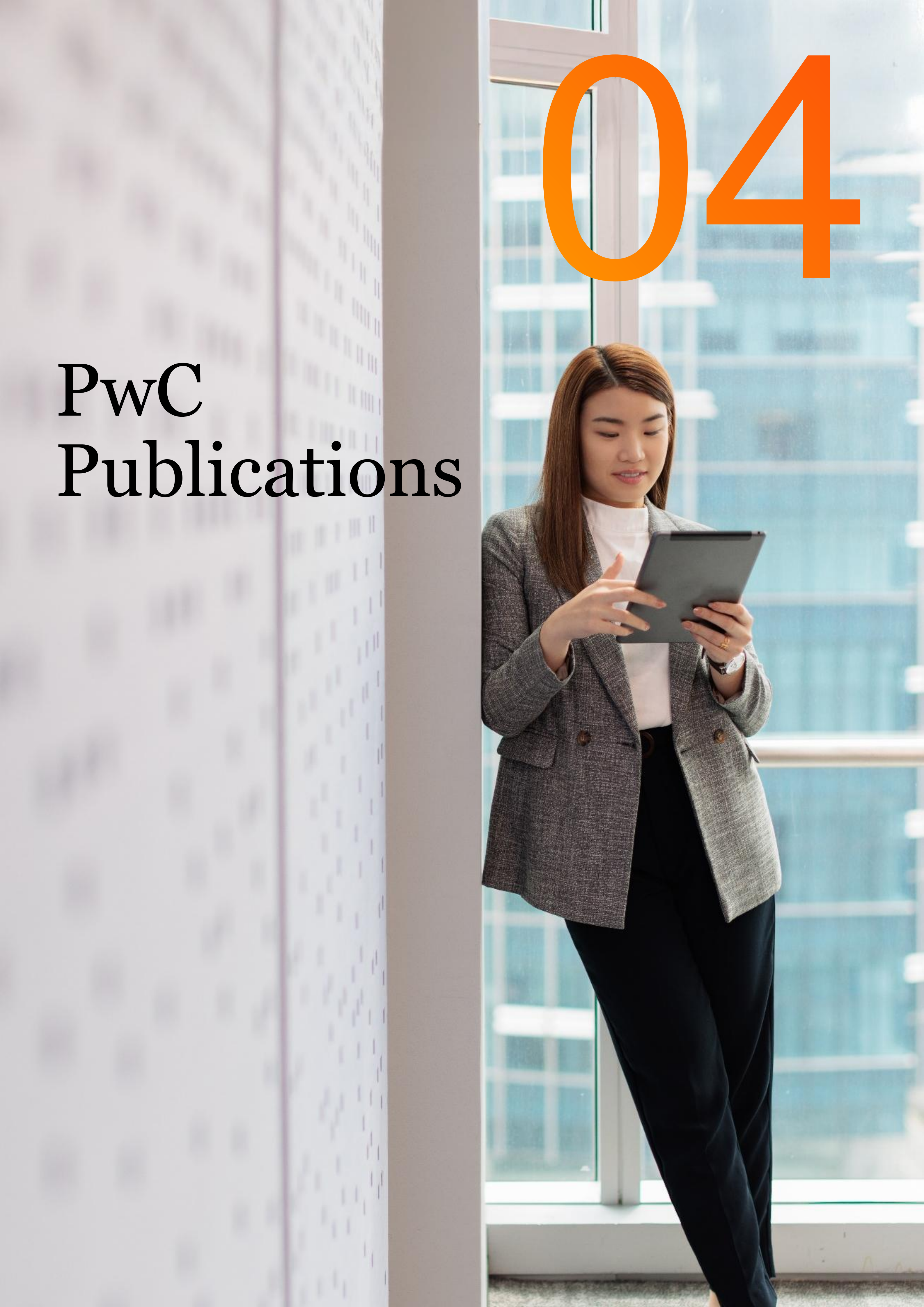
PwC Publications



PwC Publications

CFPB agenda, credit risk, supervision and insurer solvency

This week's PwC regulatory briefing examines significant developments across U.S. financial regulation. Congressional testimony from Acting CFPB Director Vought, alongside confirmation hearings for nominee Brian Johnson, underscored ongoing partisan debate over the Bureau's future structure and authority. The CFPB continues its shift toward a narrower supervisory model, with annual examinations declining from roughly 600 to approximately 70, reflecting a move away from enforcement-driven regulation toward core statutory priorities such as fraud and credit reporting.

The Bureau's 2026 rulemaking agenda includes reconsideration of the Section 1033 open banking rule, a finalised Section 1071 small business lending rule with raised reporting thresholds, and procedural reforms constraining future regulatory expansion outside formal rulemaking.

Separately, the OCC, FDIC and NCUA issued joint guidance on credit risk management for non-work-authorized borrowers, emphasising portfolio-level assessment over individual immigration status screening. The Federal Reserve, OCC and FDIC also coordinated new protocols for handling highly sensitive supervisory information, including 72-hour breach notification requirements.

At the state level, California has proposed long-term insurer solvency planning rules extending risk assessments to 2050. Additional items include CFTC reporting changes, continued GENIUS Act implementation, and New York's proposed BNPL regulation.

See: Publication

From payout to prevention: Australia's insurance future

PwC's latest insight examines a fundamental shift confronting Australia's insurance industry: the move from a reactive, payout-based model to a proactive, prevention-first approach. Traditional insurance, built on periodic premium collection and after-the-fact claims payment, is increasingly mismatched with escalating risks from climate-driven disasters, cyber threats, an ageing population and intensifying competition from fintechs and non-traditional entrants.

The article argues that leading insurers are transitioning toward continuous customer engagement, using data, artificial intelligence and strategic partnerships to prevent losses before they occur. This shift manifests differently across three sub-sectors: retail general insurance can leverage telematics and smart-home sensors for tangible, everyday prevention; commercial general insurance can embed active risk management through cyber scoring and IoT; and life and health can pursue early intervention via wearables and clinical data, though this requires the highest levels of customer trust.

Success depends on three enablers operating in tandem—real-time data, AI-powered efficiency and intervention, and ecosystem partnerships spanning technology providers, healthcare networks and supply chains. PwC advocates a "two-speed" transition, using efficiency gains from the existing book to fund prevention-led innovation, cautioning that despite widespread executive recognition of this direction, few insurers have moved beyond strategic intent to genuine capital reallocation.

See: Publication

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Thank you

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