



# PwC Regulatory Update

March 2026





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# Regulatory Update Summary

## March 2026

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### Legislative/ Government developments



#### Australian Government – Treasury

- Sustainable Investment Product Labelling – Policy Design
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### Regulatory developments



#### ASIC – Australian Securities and Investments Commission

- Misconduct reports to ASIC highlight spike in corporate governance issues
- ASIC commences new review of advice licensees that use lead generation services

#### AFCA – Australian Financial Complaints Authority

- AFCA receives record number of complaints in 2025 calendar year

#### RBA – Reserve Bank of Australia

- Statement by the Monetary Policy Board: Monetary Policy Decision
- 

### Overseas developments



#### Global

- Basel Committee issues a consolidated version of its guidelines

#### Europe

- The EBA and ESMA launch a consultation on the revised suitability assessment framework for banks and investment firms
- The EBA ESG Dashboard update shows stable climate risk indicators

#### UK

- New protections confirmed for Buy Now Pay Later borrowers

01

# Legislative/ Government developments





# Legislative/ Government developments

## **Sustainable Investment Product Labelling – Policy Design**

The Treasury consulted on a proposed Sustainable Investment Product Labelling regime designed to help retail investors identify and compare financial products marketed as "sustainable" or similar. As outlined in the consultation paper, the regime builds on feedback from 47 submissions received during the initial consultation held between July and August 2025.

The consultation paper sought feedback on four key elements:

- Scope of products captured by the regime
- Mandatory consumer-facing disclosure requirements
- Thresholds for sustainable asset alignment
- Principles-based evidence requirements

Treasury sought feedback on:

- Proposed policy details for the labelling system
- Questions in the consultation paper

**Source: Treasury**

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What have  
the regulators  
been up to?





## What have the regulators been up to?

### ASIC – Australian Securities and Investment Commission

#### **Misconduct reports to ASIC highlight spike in corporate governance issues**

New ASIC data shows a 28% rise in reports of misconduct (ROMs) from July to December 2025, totaling 9,686 reports and 13,036 issues. Key concerns were corporate governance (40%) including failures in providing records, insolvency, and shareholder matters as well as financial services and retail investor issues totalling 44%.

Deputy Chair Sarah Court highlighted stronger corporate governance as a top ASIC priority, noting robust governance benefits businesses and Australia. The increase in ROMs partly reflects an improved ASIC website making it easier to lodge reports. These reports are vital for ASIC's intelligence, guiding enforcement, including criminal and civil actions. ASIC continues investigating governance and directors' duties failures. The six-monthly update also reported \$349.8 million in civil penalties and hundreds of millions returned to Australians.

**Source: ASIC**

## **ASIC commences new review of advice licensees that use lead generation services**

ASIC has launched a review of financial advice licensees using lead generation services, amid concerns these practices may encourage unnecessary superannuation switching and expose consumers to significant loss. Lead generation involves marketing tactics including cold calls and social media ads used to persuade consumers to change their super funds.

ASIC is investigating the nature of these arrangements and will take enforcement action if legal breaches are detected. To improve transparency, ASIC has published a regularly updated list of entities involved in lead generation and warns consumers to be wary of high-pressure sales tactics, especially unsolicited calls, free "super health checks," and promises of high returns. ASIC advises consumers to verify advisers' credentials, check the performance of super funds on the ATO website, and visit Moneysmart for further protection tips. Engaging with lead generators who mislead or pressure consumers may involve legal risks for both the businesses and licensed financial advisers.

**Source:** [ASIC](#)

## **AFCA – Australian Financial Complaints Authority**

### **AFCA receives record number of complaints in 2025 calendar year**

AFCA saw a record 111,373 complaints in 2025, up 14% from 2024. Compensation and refunds awarded rose sharply to \$643 million, a 120% increase.

Complaints increased across all financial sectors, with a notable surge in investment and advice disputes (up 58%), largely due to sector collapses especially the Shield and First Guardian Master Funds, which generated 2,162 complaints and remain a key focus for AFCA. Superannuation-related complaints rose 29%, mainly over delays and dispute handling. AFCA also reached a milestone in managing complaints against Dixon Advisory, its largest-ever single batch, with ongoing efforts to resolve around 900 outstanding cases. Since its inception, AFCA has handled over 634,000 complaints and helped secure \$2.1 billion for consumers, underscoring the ongoing demand for robust dispute resolution in Australia's financial sector.

**Source:** [AFCA](#)

## RBA – Reserve Bank of Australia

### **Statement by the Monetary Policy Board: Monetary Policy Decision**

On the 3<sup>rd</sup> of February, the Monetary Policy Board has increased the cash rate target by 25 basis points to 3.85 per cent, following a material pick-up in inflation in the second half of 2025 despite its substantial decline from the 2022 peak.

Stronger-than-expected growth in private demand, driven by household consumption and investment, alongside renewed strength in the housing market, has heightened capacity pressures in the economy. Labour market conditions remain somewhat tight, with unemployment slightly below expectations and broader wage measures still showing solid growth, contributing to elevated unit labour costs.

The Board notes that financial conditions eased over 2025, credit remains readily available, and the full effects of earlier rate reductions have yet to pass through to demand, prices and wages. Market expectations of further tightening have already pushed up the exchange rate, money market rates and government bond yields.

Given these dynamics, the Board judges that inflation is likely to remain above target for some time and has acted to reinforce its commitment to price stability and full employment. The decision was unanimous. The Board will remain data-dependent, closely monitoring global conditions, domestic demand, and labour market and inflation developments when considering future policy moves.

**Source: RBA**

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# Overseas developments





# Overseas developments

## Global

### **Basel Committee issues a consolidated version of its guidelines**

The Basel Committee on Banking Supervision has released, for consultation, a consolidated version of its guidelines and sound practices, accompanied by a new, dedicated section on its website. The initiative is intended to improve accessibility and usability by reorganising existing guidance into a modular, web-based format, mirroring the structure of the Basel Framework launched in 2019.

The consolidation exercise has focused on reformatting rather than changing policy. The Committee states that no new expectations are being introduced; instead, outdated, duplicative and superseded content has been removed. This has reduced the volume of guidance material by around 75 per cent, with the aim of delivering a more streamlined and “evergreen” set of expectations for banks and supervisors.

The Committee plans to review the consolidated guidelines periodically as standards, supervisory practices and the financial system evolve. Stakeholders are invited to comment on three specific questions set out in the consultative document. Responses must be submitted via the Bank for International Settlements website by Friday 26 June 2026 and will be published unless confidential treatment is requested.

**Source:** [BIS](#)



## Europe

### **The EBA and ESMA launch a consultation on the revised suitability assessment framework for banks and investment firms**

The European Banking Authority (EBA) and European Securities and Markets Authority (ESMA) have launched a consultation on revised Guidelines for assessing the suitability of management body members and key function holders in banks and investment firms. This Suitability Package also includes draft Regulatory Technical Standards (RTS) detailing documentation requirements for large institutions. The updates, reflecting changes in the Capital Requirements Directive (CRD), introduce mandatory assessments for key roles, ex-ante applications, and enhanced guidelines for third-country branches. The package strengthens links to anti-money laundering (AML) and counter-terrorism financing (CFT) frameworks, while streamlining processes to reduce administrative burdens. The consultation runs until 25 May 2026, with public hearings scheduled for 15 April 2026, aiming to harmonise supervisory practices and ensure comprehensive, consistent suitability assessments across the EU.

**Source:** [EBA](#)

### **The EBA ESG Dashboard update shows stable climate risk indicators**

The EBA published its latest ESG risk dashboard, covering data up to Q2 2025, showing stable climate risk indicators. Banks' exposures to climate-sensitive sectors remain high at around 62%, highlighting the need for robust climate risk management. Environmental data quality has improved, with stronger energy-efficiency scores for exposures secured by property and a 10% reduction in reliance on proxy indicators since December 2023, indicating more accurate sustainability assessments. However, physical risk metrics vary significantly across jurisdictions due to methodological differences among banks, underscoring the challenges in measuring climate-related physical risks across Europe. Overall, the dashboard supports ongoing efforts to manage climate risks within the financial sector.

**Source:** [EBA](#)

## UK

### **New protections confirmed for Buy Now Pay Later borrowers**

From 15 July 2026, Buy Now Pay Later (BNPL) borrowers will gain stronger protections as the sector comes under FCA regulation. New rules include clear, upfront information on payment terms, mandatory affordability checks to ensure borrowers can repay, and mandatory support for customers in financial difficulty, including referrals to free debt advice. Consumers will also have access to the Financial Ombudsman Service for complaints and compensation. The FCA aims to balance supporting innovation with preventing unaffordable lending, protecting the 11 million BNPL users. Lenders must be FCA-authorised to offer BNPL, and the FCA will assist firms with pre-application support.

**Source:** [FCA](#)

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Contacts



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# Thank you

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