



Regulatory Table as at 8 December 2022

Superannuation Bills awaiting passage		
Bill	Description	Proposed start date and status
Financial Accountability Regime Bill 2022	<p>The Financial Accountability Regime Bill 2022 introduces a new accountability regime for the banking, insurance and superannuation industries.</p> <p>Schedules 1 and 2 to the Financial Sector Reform Bill 2022 make consequential amendments to relevant Acts to support the Financial Accountability Regime.</p> <p>The Bill commences on Royal Assent. For superannuation, the regime commencement date is 18 months after the commencement of the FAR Bill.</p>	<p>Introduced into HoR 8 September 2022</p> <p>The FAR Bill and the CSLR Bills were debated (via Cognate Debate).</p> <p>We understand that these Bills will NOT now progress in the Spring Sitting but may be debated instead in a later sitting.</p>
Financial Services Compensation Scheme of Last Resort Levy Bill 2022	<p>The CSLR is intended to support confidence in the financial system's external dispute resolution framework.</p> <p>The scheme will provide compensation where a determination issued by AFCA remains unpaid and the determination relates to a financial product or service within the scope of the scheme.</p> <p>The Commonwealth will fund the establishment of the scheme and its operation in the first year. A levy will be imposed on the financial services industry to fund the scheme in future years.</p> <p>The establishment of the scheme and the supporting levy framework commences on the day after Royal Assent.</p> <p>The operator of the scheme can begin to make compensation payments under the scheme from 1 July 2023.</p>	<p>Introduced into HoR 8 September 2022</p> <p>The FAR Bill and the CSLR Bills were debated (via Cognate Debate).</p> <p>We understand that these Bills will NOT now progress in the Spring Sitting but may be debated instead in a later sitting.</p>
Financial Services Compensation Scheme of Last Resort Levy (Collection) Bill 2022	<p>As above.</p> <p>The CSLR Bills were introduced in October last year but were prorogued on 11 April 2022 with the declaration of the election.</p> <p>AIST made a submission re the FAR and associated Bills in December 2021</p>	<p>Introduced into HoR 8 September 2022</p> <p>The FAR Bill and the CSLR Bills were debated (via Cognate Debate).</p> <p>We understand that these Bills will NOT now progress in the Spring Sitting but may be debated instead in a later sitting.</p>

AIST Legislation Update



Superannuation Bills awaiting passage

Bill	Description	Proposed start date and status
Treasury Laws Amendment (2022 Measures No. 4) Bill 2022	<p>The principle provisions relating to superannuation are contained in Schedule 6 of the Bill.</p> <p>Schedule 6 to the Bill amends the Corporations Act, the ASIC Act and the SIS Act to extend and adapt the financial reporting and auditing requirements in Chapter 2M of the Corporations Act to apply to registrable superannuation entities.</p> <p>This Bill was previously known as the <i>Treasury Laws Amendment (Streamlining and Improving Economic Outcomes for Australians) Bill 2022</i> and was introduced to Parliament earlier this year. However, it lapsed upon dissolution of Parliament prior to the Federal election.</p> <p>The context of the proposed legislation, a comparison between the current and proposed laws and a detailed explanation of the provisions are in the Explanatory Materials from Pages 85 to 148.</p>	<p>It is intended that the proposed amendments in Schedule 6 will commence on and from 1 July 2023.</p> <p>The Bill was immediately referred to the Senate Economics Legislation Committee for report on 25 January 2023.</p> <p>The Bill proceeded to the Senate and was Read a 1st time on 1 December 2022.</p>
Treasury Laws Amendment (Modernising Business Communications and Other Measures) Bill 2022	<p>A Bill with a very similar title [<i>Treasury Laws Amendment (Modernising Business Communications) Bill 2022</i>], which had lapsed at the dissolution of Parliament at 11 April 2022, has been tabled by the Assistant Treasurer on 23 November 2022.</p> <p>While this Bill covers similar topics such as the execution of documents electronically and the electronic holding of meetings (Schedule 1, Parts 1 & 2), it also updates the payment provisions in the Treasury Laws (Schedule 1, Part 3) and replaces the requirements to give notice of certain events in Treasury Laws in newspapers and government gazettes to “[in an] accessible and reasonably prominent manner” (Schedule 1, Part 4).</p> <p>Further, Schedule 2 of the Bill proposes that amendments be made as a result of the Australian Law Reform Commission’s recommendations to simplify and improve the navigability of Australia’s financial services laws.</p> <p>Schedule 3 to the Bill amends the Corporations Act to transfer longstanding and accepted matters currently contained in ASIC <i>legislative instruments</i> into the <i>primary law</i>.</p> <p>The amendments will improve navigability of the law and provide industry and consumers with greater certainty and clarity when interacting with Treasury laws.</p> <p>Schedule 4 to the Bill makes a number of miscellaneous and technical amendments to Treasury portfolio legislation. The amendments reflect the Government’s ongoing commitment to the care and maintenance of Treasury portfolio legislation.</p>	<p>The Commencement Dates of the provisions are various and are described at Item 2 of the Bill.</p> <p>The Bill was <i>immediately</i> referred to the Senate Economics Legislation Committee for report <i>also</i> on 25 January 2023.</p> <p>The Bill was tabled and Read for the 1st and 2nd times on 23 November 2022.</p>

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Superannuation Bills awaiting passage

Bill	Description	Proposed start date and status
	The amendments correct drafting errors, repeal inoperative provisions, address unintended outcomes and make other technical changes.	

Bill Passed, Regulation Made, Legislative Instruments made etc

Act or Regulation	Description	Status	Start date
Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022	This regulation amends the requirements, in the SIS Regulations (particularly r2.10), relating to the content of Annual Member Meeting Notices.	In-Force: Amending Regulations registered 1 September 2022	9 September 2022

On 21 November, Senator Lambie indicated that she would move a Motion to Disallow. While Sen. Lambie was scheduled to move the Disallowance on 1 December, the Debate on the Motion will now be postponed until **6 February 2023**.

Senator McKim, on 23 November 2022, indicated that he would move a Disallowance Motion within **10 sitting days**.

AIST believes that the passage of the [Treasury Laws Amendment \(2022 Measures No. 4\) Bill 2022](#) (see above), the proposed transparency measures of that Act and the undertaking from the Assistant Treasurer that ASIC will assemble and publish a "Super Transparency Report" is **likely** to stop the lodgement of Disallowance Motions in relation to this Regulation.

Previously, Senator David Pocock had moved to disallow the Regulation however that motion was defeated – and the Regulation NOT disallowed – on 25 October 2022.

Superannuation (prudential standard) determination No. 4 of 2022	<p>The Government published determination No 4 on 5 December. The purpose of this determination is to:</p> <p>Withdraw SPS 310 (Audit and Related Matters) and replace it, effective 30 June 2023, with SPS 310.</p> <p>The changed SPS 310 reflects the changes made by the implementation of the Superannuation Data Transformation (SDT).</p> <p>Trustees should note that the changes (if any) that come about as a result of the YFYS Review will be reflected in enhanced APRA Reporting which may, in turn, alter SPS 310 and other, related, prudential requirements.</p> <p>The Explanatory material related to the revised SPS 310 states that "[T]he amendments being made to SPS 310 are minor; their purpose is to ensure that only relevant reporting standards are included in the audit scope for an RSE."</p>	Determination registered 1 December 2022, in force effective 30 June 2023	30 June 2023
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Bill Passed, Regulation Made, Legislative Instruments made etc			
Act or Regulation	Description	Status	Start date
Treasury Laws Amendment (2022 Measures No. 2) Bill 2022	Among other provisions, this Bill (Schedule 5) reduces the minimum age from which 'Downsizer Contributions' can be made from 60 to 55 by amending s292-102(1)(a) of the ITAA97. Changes in SIS Regulation 7.04 regarding contributions acceptance rules will be made by Regulation. Regulation made 29 September 2022.	Passed by both Houses 28 November 2022 without amendment. It awaits Royal Assent.	For Schedule 5, 1 January 2023 .
Privacy Legislation Amendment (Enforcement and Other Measures) Bill	The Bill amends the Privacy Act, the <i>Australian Information Commissioner Act 2010</i> (AIC Act) and the <i>Australian Communications and Media Authority Act 2005</i> (ACMA Act) to <ul style="list-style-type: none"> • increase penalties under the Privacy Act • provide the Australian Information Commissioner with greater enforcement powers, and • provide the Commissioner and ACMA with greater information-sharing powers. 	Passed by both Houses 28 November 2022 . This Bill has passed with an amendment, which has now been approved by the HoR. Royal Assent will now be sought.	The day after this Act receives Royal Assent
Prudential Standard CPS 190: Recovery and Exit Planning	Cross-practice Prudential Standard 190 (CPS 190) was published 1 December 2022 but has application from 1 January 2024 for banks and insurers, and from 1 January 2025 (s8(b) of CPS 190) for RSE licensees. The key requirements of this Prudential Standard are that an APRA-regulated entity must maintain a credible plan that includes: <ul style="list-style-type: none"> • actions that could be taken to restore the financial resilience of the entity during or following stress; • actions that could effect an orderly exit from the industry, if recovery actions are not effective; and • indicators of potential stress to achieve timely and effective execution of recovery or exit actions if needed. This final CPS 190 has been published without material revision to the draft proposals. AIST made a submission , in relation to CPS 190 and CPS 900 (Resolution Planning) re the proposed crisis preparedness standards on 10 May 2022.	CPS 190 was published 1 December 2022 but takes effect on and from 1 January 2025 (s8(b) of CPS 190) for RSE licensees. The longer timeframe for RSE licensees supports these entities in responding to other related reforms for the sector, including the recently released consultations on draft requirements for superannuation transfer planning and financial resources for risk events in superannuation.	Commences, for RSE Licensees, on 1 January 2025 .

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Bill Passed, Regulation Made, Legislative Instruments made etc			
Act or Regulation	Description	Status	Start date
	A guide, CPG 190, has not yet been published but is expected 'in the first half of 2023'.		
Financial Sector Reform Bill 2022	<p>This Bill <i>originally</i> dealt with consequential amendments to various Acts and transitional matters arising from the enactment of the Financial Accountability Regime Act 2022.</p> <p><u>Update:</u> References to the FAR and CSLR were removed from the Bill via amendment to "to enable the Government to consult further on the amendments without hindering the progression of other measures in the Bill."</p> <p>This Bill, as amended, proceeded, principally, with consumer credit reforms – more particularly the "small amount credit contracts" (SACCs) or "Payday Loans".</p> <p>The amendments address the recommendations of the SACCs Review.</p>	<p>Introduced into HoR 8 September 2022.</p> <p>While the FAR Bill and the CSLR Bills were taken off the Senate schedule for the Spring Sittings, this Bill was Passed in the Senate, with amendments.</p> <p>Those amendments were ratified by the HoR and the Bill Passed on 2 December 2022.</p> <p>Royal Assent will now be sought.</p>	The Act, as amended, does not affect superannuation funds.
Banking, Insurance, Life Insurance and Superannuation (prudential standard) determination No. 2 of 2022	<p>This determination has the effect of <i>revoking</i> Cross-industry Prudential Standard CPS 226 (Margining and Risk Mitigation for Non-Centrally Cleared Derivatives) and replaces it, effective 1 January 2023, with a <i>revised</i> CPS 226.</p> <p>The revised CPS 226 will reflect the new capital requirement standards which take effect on and from 1 January 2023.</p>	Determination registered 1 December 2022, in force effective 1 January 2023	1 January 2023
Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022	<p>The purpose of this Bill is to improve the workplace relations framework by:</p> <ul style="list-style-type: none"> Restoring fairness and integrity to workplace relations institutions Boosting bargaining Encouraging bargaining for single enterprise agreements Remove unnecessary limitations on access to the low-paid bargaining stream and the single-interest employer authorisation stream and provide enhanced access to Fair Work Commission support for employees and their employers who require assistance to bargain 	<p>Introduced into the HoR 27 October 2022.</p> <p>The Bill progressed to the Senate on 21 November 2022.</p> <p>A number of amendments [68+] were made (which were subsequently ratified by the House of</p>	The provisions in this Bill have various start dates.

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Bill Passed, Regulation Made, Legislative Instruments made etc			
Act or Regulation	Description	Status	Start date
	<ul style="list-style-type: none"> Restoring balance and fairness to the system Improving job security and gender equity by including both concepts in the objects of the <i>Fair Work Act</i> Improving workplace conditions and protections by providing stronger access to flexible working arrangements, stronger protections for workers, including victim survivors of sexual harassment, and enhancing small claims procedures to enable unpaid entitlement recovery and Updating the workers' compensation presumptive liability provisions for firefighters in the <i>Safety, Rehabilitation and Compensation Act 1988</i> (SRC Act). 	Representatives), before this Bill was Passed on 2 December 2022 . Act No. 79 of 2022	
Amendments to Prudential Standard SPS 310 Audit and Related Matters	<p>APRA has released an updated version of Prudential Standard SPS 310 Audit and Related Matters (SPS 310).</p> <p>See also the item above: <i>Superannuation (prudential standard) determination No. 4 of 2022</i>.</p> <p>The amendments to SPS 310 are minor and must be implemented within the scope of audits for the financial year ending 30 June 2023 onwards.</p> <p>APRA is reducing the scope of changes to SPS 310 to address industry feedback on implementation challenges as RSE licensees continue to develop new reporting systems and processes to support more granular reporting.</p> <p>Trustees should anticipate future updates to SPS 310 to better-accommodate the expected changes in auditing requirements from the use of choice product data in the Performance Test.</p>	The revised SPS 310 was issued 7 December 2022 .	In relation to the financial year ending 30 June 2023

Consultations		
Exposure draft or Consultation materials	Description	Consultation Details
Review (Treasury) Quality of Advice Review	<p>Consistent with recommendations 2.3, 2.5 and 2.6 of the Final Report of the Hayne Royal Commission, the Government is commissioning this Review which will consider how the regulatory framework could better enable the provision of high quality, accessible and affordable financial advice for retail clients.</p> <p>The Review ('QAR') will not make recommendations on:</p>	Released 11 March 2022. A report will be provided to the Government by 16 December 2022 .

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Consultations		
Exposure draft or Consultation materials	Description	Consultation Details
	<ul style="list-style-type: none"> professional standards for financial advisers Royal Commission Recommendations 2.7 to 2.10 changes to the definitions of 'retail client', 'wholesale client', and 'sophisticated investor' financial services redress arrangements or the application of taxation and privacy laws to financial advice 	<p>AIST has provided a submission for this consultation.</p> <p>A further consultation, to which AIST will be making a Submission, relates to Conflicted Remuneration in the context of the provision of Financial Advice.</p>
<p>Review (Treasury)</p> <p>Quality of Advice Review – Proposals Paper</p>	<p>A Proposals Paper, for consultation, as a part of the Quality of Advice Review, was issued on 29 August 2022. Among other proposals, Review Lead, Michelle Levy proposed:</p> <ul style="list-style-type: none"> that the current 'Best Interests' and other financial advice duties were to be consolidated into the provision of 'good advice', that a number of consumer protections were to be removed and that annual fees disclosures for ongoing financial advice would no longer be required. 	<p>The <i>Consultation Paper – Proposals for Reform</i> was issued on 29 August 2022, for comments and further submissions. This Consultation will close on 23 September 2022.</p> <p>AIST provided a submission for this consultation.</p>
<p>Review (Treasury)</p> <p>Quality of Advice Review – Conflicted Remuneration Paper</p>	<p>This Conflicted Remuneration Paper provides a high-level snapshot of the key findings from the data collected by the Review on general insurance and life insurance and puts forward a series of proposals for reform.</p> <p>This paper is for information only and there is no invitation for consultation or feedback re these proposals.</p>	-
<p>Consultation (Treasury)</p> <p>Measuring what matters</p>	<p>The Treasury invites views on <i>Budget Statement #4: Measuring What Matters</i> and the adoption and development of a Measuring What Matters Statement in 2023.</p> <p>The Budget Statement's goal is:</p> <p><i>In 2023, the Government will release a new stand-alone Measuring What Matters Statement tailored to Australia. Treasury will continue to research and consult experts and other stakeholders on what the Statement should measure, how the Statement should link to other frameworks and goals – including at the state and territory level – and how the Statement should be communicated.</i></p> <p><i>The 2023 Measuring What Matters Statement will be an important next step in facilitating a more informed and</i></p>	<p>Consultation closes 31 January 2023 (and opened 25 October 2022).</p>

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Consultations		
Exposure draft or Consultation materials	Description	Consultation Details
	<i>inclusive policy dialogue on how to improve the quality of life of all Australians. Treasury looks forward to working with stakeholders and experts on this important project.</i>	
<p>Enquiry (PJC, Corporations and Financial Services)</p> <p>Inquiry into ASIC's capacity and capability to respond to reports of alleged misconduct (PJCCFS)</p> <p>&</p> <p>Australian Securities and Investments Commission investigation and enforcement (SERC)</p>	<p>The <i>Parliamentary Joint Committee on Corporations and Financial Services</i> has commenced an inquiry into the capacity and capability of the Australian Securities and Investments Commission (ASIC) to undertake proportionate investigation and enforcement action arising from reports of alleged misconduct.</p> <p>An Enquiry, which is identical <i>but</i> for one additional item in the Terms of Reference of the PJC Enquiry, is also being conducted by the Senate Economics References Committee, Senator Bragg (the Chair of this Committee, who is also a Member of the PJC, Corporations and Financial Services Committee) having garnered the votes to conduct an enquiry.</p>	<p>On 27 October 2022, the Committee began an inquiry into ASIC's capacity and capability to respond to reports of alleged misconduct.</p> <p>The committee currently intends to table a report in both Houses of the Parliament by the last sitting day in June 2024.</p>
<p>Consultation (FRAA)</p> <p>Effectiveness and capability review of the Australian Prudential Regulation Authority</p> <p>the Consultation Paper itself.</p>	<p>The first Financial Regulator Assessment Authority (FRAA) review on the effectiveness and capability of APRA is a targeted assessment of its supervision and resolution functions, <u>focusing on superannuation</u>.</p> <p>The scope of the review excludes matters that are under consideration in other reviews or consultations, such as the review of the Your Future, Your Super laws.</p>	<p>Consultation closes 15 December 2022 (and opened 3 November 2022).</p>
<p>Consultation (AUSTRAC)</p> <p>Consultation on guidance on enhanced customer due diligence and employee due diligence and training</p>	<p>AUSTRAC has released for consultation two draft updated guidance products – one on enhanced customer due diligence and the other on employee due diligence and training.</p> <p>The Proposed updated guidance on Employee due diligence and Employee AML/CTF risk awareness training, discusses when and how a reporting entity should screen employees to make sure they do not pose a money laundering or terrorism financing (ML/TF) risk to the business.</p> <p>The Proposed updated guidance on Enhanced customer due diligence (ECDD) program provides further insights into reporting entities ECDD program including outlining the relevant procedures, policies, systems and controls (including the role of senior management), to be applied in situations when ECDD, or customer identification and verification obligations, can and cannot be successfully conducted.</p>	<p>Consultation closes 15 December 2022 (and opened 3 November 2022).</p>

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Consultations		
Exposure draft or Consultation materials	Description	Consultation Details
<p>Consultation (Treasury)</p> <p>Multinational tax integrity: Public Beneficial Ownership Register</p>	<p>The Government is seeking comments on the design features for the first phase of a publicly available beneficial ownership register. The Government committed to introducing the register as part of its multinational tax integrity package.</p> <p>The Government proposes to <i>exempt</i> regulated entities from the requirement to disclose trust beneficiaries if the relevant trust is a registrable superannuation entity (RSE).</p> <p>It is Treasury’s view that additional disclosure is likely to impose a large regulatory burden on relevant trustees and the additional transparency is unlikely to give rise to significant benefits.</p> <p>Regulated entities would only be expected to provide a RSE’s Name, Unique Superannuation Identifier, date of creation, and details of the RSE’s trustees.</p>	<p>Consultation closes 16 December 2022 (and opened 7 November 2022).</p>
<p>Consultation (APRA)</p> <p>Transfer planning in superannuation: proposed enhancements</p>	<p>On 10 November 2022, APRA released a discussion paper seeking feedback from superannuation trustees and other industry stakeholders on a series of measures to enhance planning by superannuation trustees in the event they need to transfer members out of – or into – their fund.</p> <p>The prudential framework enhancements include new requirements for trustees to be prepared for a transfer of members and an update of the transfer planning guidance contained in Prudential Practice Guide SPG 227 Successor Fund Transfers and Wind-ups to strengthen and simplify the guidance.</p>	<p>Consultation closes 10 March 2023 (and opened 10 November 2022).</p>
<p>Consultation (APRA)</p> <p>Financial resources for risk events in superannuation</p> <p>This is “Part 2” of the Strengthening Financial Resilience in Superannuation Consultation.</p>	<p>On 14 November 2022, in response to significant industry evolution, supervisory insights and industry feedback, APRA released a discussion paper that proposes to replace the existing <i>Prudential Standard SPS 114 Operational Risk Financial Requirement (SPS 114)</i> with enhanced obligations for trustees (to quote the Paper: “with materially reshaped requirements”).</p> <p>This consultation relates, specifically, to the modification of <i>SPS 114</i> (and <i>SPG 114</i>) – which supports SPS 515 - and is prompted by the changing environment and responses to the first ‘round’ of Consultation.</p> <p>The proposed enhancements include widening the scope of permitted use of financial resources held to manage operational risks, reducing barriers to efficient use of these resources, and requiring trustees to adopt a more sophisticated risk-based approach to determining how much to hold.</p>	<p>Consultation closes 17 March 2023 (and opened 14 November 2022).</p>

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Consultations

Exposure draft or Consultation materials	Description	Consultation Details
	The most-significant proposal is that RSE licensees would now, using a modified reserving policy, be permitted to address potential problems <u>before</u> they adversely affect members.	

Other Materials

Consultation (Treasury)

Call for Pre-Budget Submissions: 2023/2024: Submissions will be received up to 27 January 2023.

The ATO has provided an updated SFT Protocol:

The [Successor Fund Transfer \(SFT\) Protocol](#) has been updated following an ATO review in consultation with industry. The updates incorporate industry experiences and learnings from recent SFTs and provide further guidance to reduce impacts to members and the super operating system during and after an SFT.

Key changes include:

- inclusion of Intra-Fund Transfers (IFT) guidance
- a new section on limited-service period (previously known as black-out periods)
- detailed guidance on actioning release authorities
- tips and useful links for Digital Identity Management and Access Manager, and
- detailed guidance on Transfer Balance Account Reports and actioning Commissioner's commutation authorities.

When you are considering an SFT or an IFT, you [should engage with us early through the Super Enquiry Service](#) so we can provide you with support through this significant event.