

File: 2025/30

Maria Hadisutanto
Senior Manager
Regulatory Reform and Implementation
Australian Securities and Investments Commission
GPO Box 9827,
Melbourne VIC 3001

Via email: rri.consultation@asic.gov.au

5 September 2025

To whom it may concern,

Regulatory Guide (RG) 181 Licensing: *Managing Conflicts of Interest*

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to ASIC's consultation on Regulatory Guide 181 *Licensing: Managing Conflicts of Interest*.

About ASFA

ASFA has been operating since 1962 and is the peak policy, research and advocacy body for Australia's superannuation industry. ASFA represents the APRA regulated superannuation industry with over 100 organisations as members from corporate, industry, retail and public sector funds, and service providers.

We develop policy positions through collaboration with our diverse membership base and use our deep technical expertise and research capabilities to assist in advancing outcomes for Australians.

ASFA is keenly focussed on ensuring operational effectiveness of the superannuation system – in particular, that it delivers, at a reasonable cost, services of a type and standard that meet the needs and expectations of fund members and fosters trust and confidence in the system.

Comments on proposed update to RG181

ASFA supports ASIC's objective to enhance transparency around conflicts of interest management in the proposed update to RG 181 *Licensing: Managing conflicts of interest*, and also supports – in broad terms – the proposed changes.

However, ASFA would like to highlight some potential concerns regarding the nature of disclosure expectations in Table 4 (under RG 181.75), particularly their practical implications for Financial Services Guide (FSG) disclosure.

- While RG181.73 advises disclosure of material conflicts only, the level of detail proposed could lead to an expansion of FSG content.

- The draft guidance suggests disclosing the likelihood of a conflict occurring, potential consequences, and steps to manage the associated risks. These elements go beyond current industry practice and are not typically included in FSGs.
 - The proposed update could require system-wide amendments to FSGs, which would increase document length and complexity.

- The proposed update could conflict with the Government’s broader intent to simplify financial advice documentation – in order to enhance consumer understanding.
 - By requiring more detailed disclosures within the FSG, there is a risk that documentation will become longer, denser, and harder for consumers to navigate.
 - This could reduce the effectiveness of the FSG as a communication tool.

If you have any queries or comments in relation to our submission, please contact Andrew Craston, Economic Specialist, by email acraston@superannuation.asn.au.

Yours sincerely

James Koval

Chief Policy & Advocacy Officer