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Australian Securities and Investments Commission (ASIC)

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

Proposed relief for disclosure of private debt arrangements

The Super Members Council thanks ASIC for the opportunity to make a submission to this consultation.

SMC supports the policy intent underpinning ASIC's proposed relief for portfolio holdings disclosure and agrees greater aggregation is appropriate to address confidentiality and commercial sensitivity concerns.

While the proposed approach falls short of fully addressing the legal, commercial and competitive risks associated with private credit disclosure, it is an improvement on the current requirements. The proposed approach reduces some of the more acute issues arising from asset-by-asset disclosure and represents a modest step towards a more proportionate framework by lessening the immediate risk of exposing transaction level details in concentrated private credit portfolios.

SMC continues to call for a more effective and long-term approach which would mirror the treatment adopted for derivatives. This would remove borrower or counterparty names entirely for private credit assets and instead require aggregated disclosure supported by standardised, non-identifying descriptors. By doing this, ASIC can better achieve its objective of maintaining meaningful transparency without exposing commercially sensitive information or creating unintended harm to members' long-term investment outcomes. This would better balance member transparency with the need to protect commercially sensitive information and avoid unintended harm to Australians' super savings.

Retaining issuer or counterparty names lessens the effectiveness of the relief, as borrower-level exposures may still be identified in practice, particularly in concentrated private credit portfolios or those involving a small number of transactions. As a result, key confidentiality and commercial sensitivities remain at risk, with potential adverse consequences for members' long-term investments. Although the proposed changes do not fully resolve these issues, it is a step in the right direction.

While the proposed instrument provides a workable and temporary relief measure to December 2030, ASIC should progress work toward establishing a permanent legislative solution that appropriately balances transparency with the commercial and confidentiality realities of private credit investment. A more enduring approach should consider:

1. Remove issuer or counterparty names from private credit portfolio holdings disclosure.
2. Replace borrower identification with standardised, non-identifying descriptors.
3. Broaden the scope of the relief beyond internally managed private debt.
4. Avoid embedding a narrow, asset-specific solution within Schedule 8D.
5. Treat the proposed relief as interim and provide a pathway to permanent regulatory amendment.

About the Super Members Council

We are a strong voice advocating for the interests of 12 million Australians with over \$1.6 trillion in retirement savings managed by profit-to-member super funds. Our purpose is to protect and advance the interests of those millions of super fund members throughout their lives, advocating on their behalf to ensure super policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policy makers across the full breadth of Parliament.



Why ASIC should revise its approach

Removal of issuer or counterparty names would align with established regulatory precedent

Private credit raises issues analogous to those previously recognised for derivatives, where counterparty naming requirements were removed to address similar concerns. Applying this same approach to private credit would represent a consistent application of established regulatory principles, rather than a departure from them, and would better reflect the inherently confidential nature of private market transactions.

Transparency can be preserved through standardised, non-identifying disclosure

Removing individual borrower or counterparty names need not reduce transparency for members. Disclosure would be more meaningful if aggregated private credit exposures were accompanied by standardised, non-identifying descriptors. This could include things such as sector, seniority, security, credit quality, geography and maturity, together with total value and portfolio weighting. This approach would provide clearer insight into portfolio risk and construction than issuer names alone, while avoiding the unintended consequences of borrower identification.

A more proportionate balance between transparency and harm minimisation

ASIC's proposal appropriately recognises the need to balance transparency with the avoidance of market harm. SMC submits that removing borrower and counterparty names entirely would better achieve this balance, ensuring that disclosure continues to meet regulatory and member information objectives without exposing commercially sensitive information or placing super funds at a competitive disadvantage in private credit markets.

The proposed relief is too narrow in scope

As currently framed, the draft instrument gives partial and temporary relief that does not permanently resolve the structural issues associated with borrower-level disclosure of private credit and loan receivables.

The risks associated with borrower-level disclosure, such as confidentiality constraints, commercial sensitivity and market signalling, arise from the nature of private credit and loan receivable assets themselves, rather than from whether those assets are internally or externally managed. By limiting the relief to internally managed fixed income private debt, the proposed approach creates inconsistent disclosure outcomes for economically similar investments and leaves unresolved the core policy concern that has prompted this reform.

SMC recommends that while the relief measure is in effect, ASIC address private credit and loan receivables more holistically within the portfolio holdings disclosure framework, rather than confining relief to a subset of assets based on management structure.

The proposal risks entrenching structural inconsistency in Schedule 8D

A narrow, asset-specific instrument layered onto existing Schedule 8D requirements risks embedding an interim solution that does not fully resolve the issue at its source. SMC's preferred approach is for private credit or loan receivables to be recognised as a prescribed category capable of aggregated disclosure. This would provide a clearer, more coherent framework and reduce the need for ongoing case-by-case relief as private market exposures continue to expand across the superannuation sector.

The time-limited nature of the relief creates unnecessary uncertainty

The proposed relief is explicitly time-limited, applying only to reporting days between 31 December 2025 and 31 December 2030. While interim relief is appropriate in the short term, a strictly time-bound instrument creates uncertainty for trustees making long-dated private credit investments and increases the likelihood of repeated extensions or further consultation.

SMC recommends that ASIC position the proposed relief as an interim measure accompanied by a clear pathway toward more permanent regulatory amendment. This would give greater certainty for industry, reduce compliance churn, and ensure the disclosure framework remains fit for purpose over time.