21 August 2026

Email: markets.consultation@asic.gov.au

Markets Group
Australian Securities and Investments Commission
Level 5, 100 Market Street
SYDNEY NSW 2000

Dear Sir/Madam

Proposed updates to RG 264: Sell-side research

The Stockbrokers and Investment Advisers Association (SIAA) is the professional body for the stockbroking and investment advice industry. Our members are Market Participants and wealth management firms that provide securities and investment advice, execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses. Practitioner Members are suitably qualified professionals who are employed in the securities and derivatives industry.

SIAA members represent the full range of advice providers from full-service and online brokers to execution-only participants and provide wealth advice and portfolio management services.

The history of the stockbroking profession in Australia can be found here.

Thank you for the opportunity to provide feedback to ASIC's consultation paper on proposed updates to *Regulatory Guide 264: Sell-side research* (Regulatory Guide).

Feedback

SIAA welcomes the proposed updates to Regulatory Guide 264 that simplifies the guidance and provides licensees with greater flexibility when preparing sell-side research.

In our submission to ASIC on its *Discussion Paper on the dynamics between public and private markets* we called for the Regulatory Guide to be reviewed as we considered that it currently severely curtails the ability of research analysts to have a fully informed view of the company that is proposing to list. We pointed out that while there is a large amount of information in the mainstream media about large companies, smaller companies struggle to attract media attention due in part to the lack of sell-side research caused by the restrictions on brokers imposed by the Regulatory Guide. We consider that a lack of pre-deal investor education is a step backwards for public markets.

We are pleased that ASIC has taken industry feedback into account and has removed the prescriptive, step by step approach, replacing it with a shorter, principles-based guide.

We support ASIC's move to a more principles-based framework focused on management of conflicts of interest and ensuring research independence that will allow greater flexibility.

We consider that it is important to have interaction between corporate advisory and research teams during capital raising transactions in ways that are practical and facilitate accurate information being provided to investors. Changes to the Regulatory Guide that enable this are welcomed. We hope that these changes will result in an increased amount of Investor Education Reports being made available to retail investors who currently have limited access to information on capital raisings.

Feedback from our members is that the proposed update substantially reflects industry practice in managing risks with sell-side research. We note the proposed declarations are more substantial than in the previous guidance with ASIC recommending that:

- research analysts provide a declaration before publishing research confirming that no other parts of the business or the issuing company have made any attempt to influence the research; and
- the head of corporate advisory provide an annual declaration to compliance that they, or members of the corporate advisory team (after making reasonable enquiries), have not sought to influence the research team.

These two expectations are not explicitly included in the previous guidance and firms that don’t currently require these will need to consider adding them to their procedures.

There are always challenges when prescription is replaced with flexibility as a prescriptive approach provides certainty for those firms that comply with every step. Unfortunately, the prescriptive approach resulted in fewer (limited) firms developing sell-side research to support capital raising activity because it was too difficult to comply with. As a result of these updates firms will need to carefully consider their controls against the five principles. Key feedback from our members is the importance of ASIC including **additional practical examples of acceptable research analyst involvement** in the Regulatory Guide. This will provide important clarification to assist firms apply the principles and develop appropriate internal controls that meet ASIC’s expectations. **SIAA recommends** that ASIC includes these additional examples in the Regulatory Guide.

We note that ASIC has particularly asked for feedback on two items where it is not proposing to change the underlying principles, being:

- Presentation of valuation information in Investor Education Reports, and
- Fact checking of draft Investor Education Reports by corporate advisory teams.

We support ASIC’s approach on these two items.

Expressing valuation information in the Investor Education Report as an enterprise value or total value based on the financial information in the prospectus is a sensible approach and assists with investor understanding of financial profile and performance.

Allowing fact checking of draft Investor Education Reports by corporate advisory teams makes sense and aligns with the process that firms have when undertaking a corporate finance transaction. The corporate team works closely with the issuing company to draft the prospectus and is in the best position to fact check the report. This approach also saves time for the issuer.

As ASIC has indicated that it is not proposing to change the principles surrounding fact checking of draft Investor Education Reports by corporate advisory teams we **recommend** that the explanatory notes for Principle three (Investor Education Reports) be updated to include explicit reference to this so there is no industry confusion on this point.

Conclusion

If you require additional information or wish to discuss this submission in greater detail, please do not hesitate to contact SIAA's policy manager, Michelle Huckel, using the contact details in the covering email.

Yours faithfully

Maria Lykouras
Chief Executive Officer