Australian Government

Dashboard Impact Analysis (IA) – Proposed declaration of qualified accountants under *ASIC Corporations (Qualified Accountant) Instrument 2026/734*

Australian Securities and Investments Commission (ASIC)

The proposed policy approach and policy problem addressing

Proposed approach

ASIC proposes to make the *ASIC Corporations (Qualified Accountant) Instrument 2026/734*, which declares specified classes of members of certain Australian and foreign professional accounting bodies to be qualified accountants for the purposes of the Corporations Act. The Instrument would designate:

- members of CPA Australia, Chartered Accountants Australia and New Zealand, and the Institute of Public Accountants as qualified accountants, reflecting that these are the only Australian accounting bodies with an approved Professional Standards Scheme;
- members of specified professional accounting bodies in the United States, Canada and the United Kingdom in limited circumstances where they have at least three years of practical accounting or auditing experience and provide advice to a person resident in the same country.

The proposed approach is preferred because it maintains an established framework for identifying appropriately qualified professionals who can certify whether a person satisfies the sophisticated investor and wholesale client tests under the *Corporations Act 2001* (**Corporations Act**).

The objective of the Instrument is to facilitate the effective operation of the sophisticated investor and wholesale client regimes by providing certainty about who may issue the 'qualified accountant' certificates.

Policy problem

Qualified accountant certificates are used to determine whether a person satisfies the sophisticated investor and wholesale client tests, which affect the disclosure and licensing obligations that apply to offers of financial products and financial services. Qualified accountants are also relevant to certain audit relief available to proprietary companies.

Specifically:

- Under paragraph 708(8)(c) of the Corporations Act, a body does not need to provide a disclosure document for an offer of its securities under Part 6D.2 of the Corporations Act, to a sophisticated investor, that is, a person who has been given a certificate by a qualified accountant, no more than two years before the offer is made, and the person has net assets of at least $2.5 million or gross income for each of the last two financial years of at least $250,000: see also r6D.2.03 and r6D.5.02 of the *Corporations Regulations 2001* (Cth) (**Corporations Regulations**).

- Under paragraph 761G(7)(c) of the Corporations Act certain financial products or financial services can be provided to a person, as a wholesale client, if a certificate is given by a qualified accountant, within the preceding two years, and the person meets the same prescribed net asset and gross income thresholds: see also r7.1.28 and 7.6.02AF of the Corporations Regulations.
- Under *ASIC Corporations (Auditing) Instrument 2026/469*, audit relief is available to certain proprietary companies if, among other things, the financial report of the company has been compiled by a qualified accountant who is a member of a specified Australian professional body (or other accountant approved by ASIC for that purpose).

A person is only a qualified accountant if they belong to a professional body approved by ASIC under subsection 88B(2) of the Corporations Act. Without an ASIC instrument identifying the professional bodies whose members are qualified accountants, there would be uncertainty about who may issue the certificates and assessments required under these provisions. This could affect the operation of the sophisticated investor and wholesale client regimes and increase compliance costs for affected businesses and investors.

Summary of impacts and methodology

Impacts were assessed by comparing the proposed approach of continuing to declare specified members of professional accounting bodies as qualified accountants against the status quo and the alternative of not making the declaration. The analysis weighs qualitative social and economic benefits against qualitative regulatory and compliance costs to businesses.

Option	Benefits ([X$ unit (e.g. p/a) over x years])	Other costs ([X$ unit (e.g. p/a) over x years])	Net impact ([X$ unit (e.g. p/a) over x years])	Regulatory burden ([X$ over 10 years])
Proposed: ASIC declaration of 'qualified accountants'	Positive economic and social benefits through supporting efficient capital raising and product distribution by enabling eligible sophisticated investors and wholesale clients to continue accessing products and services that are intended for investors with the financial capacity and experience to assess	Limited. The proposed approach does not create new substantive obligations for investors, issuers, financial services providers or professional accounting bodies. Any compliance costs are expected to be minimal and largely limited to existing administrative processes associated with obtaining and	Significant net positive impact through reduction in compliance costs and improved access to financial products and services for eligible wholesale and sophisticated investors.	Net positive (qualitative benefits outweigh costs).

Option	Benefits ([X$ unit (e.g. p/a) over x years])	Other costs ([X$ unit (e.g. p/a) over x years])	Net impact ([X$ unit (e.g. p/a) over x years])	Regulatory burden ([X$ over 10 years])
	higher-risk or more complex investments.	relying on qualified accountant certificates.		
Alternative: Maintain status quo (i.e. no ASIC declaration)	Without an ASIC declaration of qualified accountants, there would be uncertainty about who may issue the certificates and assessments required under the sophisticated investor and wholesale client regimes. This may reduce the ability of eligible issuers to rely on existing disclosure exemptions and wholesale client arrangements for investors under the Corporations Act.	The absence of an ASIC declaration may substantially increase compliance costs for issuers and financial services providers by requiring affected investors to be treated as retail investors, potentially requiring additional disclosure, licensing and administrative processes. These impacts may be material given the number of investors who may otherwise qualify for wholesale status and the costs associated with maintaining retail disclosure arrangements.	Substantially higher administrative and compliance costs, and more uncertainty, for issuers, financial services providers and investors.	Lower net benefit due to higher administrative and compliance costs.

Economic and social impacts

Status quo	Proposed option
Without an ASIC declaration of qualified accountants, there would be uncertainty about who may issue the certificates and assessments required under the sophisticated investor and wholesale client regimes. This may reduce the ability of eligible issuers to rely on existing disclosure exemptions and wholesale client arrangements for investors under the Corporations Act. The status quo may also reduce access to Australian financial products and services for some foreign investors and Australians residing overseas who rely on certifications from recognised overseas accounting professionals. More broadly, uncertainty about who can act as a qualified accountant could undermine the efficient operation of regulatory regimes that depend on qualified accountant certifications.	Compared with the status quo, the proposal is expected to provide positive benefits by identifying the professional bodies whose members are qualified accountants for the purposes of the Corporations Act. This provides certainty about who may issue the certificates and assessments required under the sophisticated investor and wholesale client regimes, supporting the consistent operation of those regimes. The proposal supports access to Australian financial products and services for eligible investors by enabling appropriately qualified professionals to continue providing the certifications required under the Corporations Act and Corporations Regulations. It also facilitates participation in Australian financial markets by certain foreign investors and Australians residing overseas who may rely on certificates provided by recognised overseas accounting professionals. By reducing uncertainty about who may issue qualified accountant certificates, the proposal avoids unnecessary

Status quo	Proposed option
	compliance and administrative costs for investors, issuers and financial services providers. It will also support efficient capital raising and product distribution by enabling eligible sophisticated investors and wholesale clients to continue accessing products and services that are intended for investors with the financial capacity and experience to assess higher-risk or more complex investments. The potential impact may be significant given the number of investors who may be eligible for wholesale or sophisticated investor status. Modelling by the Australian National University suggests that approximately 16.2% of Australian adults meet the individual wealth test for wholesale investor classification, although this estimate does not measure actual use of wholesale products and does not capture other pathways to wholesale status. The proposal also promotes professional accountability and confidence in the certification process by restricting the ability to issue qualified accountant certificates to members of specified Australian and overseas professional accounting bodies that meet ASIC's requirements. This helps maintain the integrity of the sophisticated investor and wholesale client regimes while supporting continued access to the associated disclosure exemptions, wholesale client arrangements and audit relief.

Regulatory burden

Status quo	Proposed option
Without an ASIC declaration of qualified accountants, businesses, investors and financial services providers may face additional administrative and compliance costs due to uncertainty about who can provide the certifications required under the sophisticated investor and wholesale client regimes. In practice, individuals who would otherwise satisfy the wealth or income tests for sophisticated investor or wholesale client status may be unable to obtain the qualified accountant certificates required under the Corporations Act. As a result, those individuals may need to be treated as retail investors. Issuers and financial services providers may therefore be required to comply with additional disclosure and licensing requirements that would not otherwise apply, and wholesale-only investment products may become unavailable to those investors.	The proposal is expected to impose minimal regulatory burden. By identifying the professional bodies whose members are qualified accountants for the purposes of the Corporations Act, the Instrument provides certainty about who may issue the certificates and assessments required under the sophisticated investor, wholesale client and audit relief regimes. The proposal enables investors, issuers and financial services providers to continue relying on existing certification arrangements, reducing the need for additional verification processes, legal advice or alternative compliance measures. It also facilitates continued access to existing disclosure exemptions and wholesale client arrangements where the relevant legislative requirements are met. Accordingly, the proposal is expected to reduce administrative complexity and avoid the additional compliance costs that could arise in the absence of a qualified accountants declaration.

Other considerations and implementation

Other options considered

Status quo (no 'qualified accountants declaration): This option was not preferred because, as mentioned above, businesses, investors and financial services providers may face uncertainty about who can provide the certifications required under the sophisticated investor and wholesale client regimes, as well as compliance costs required as a result of having to treat those sophisticated investors/wholesale clients as retail client, including compliance costs associated with licensing and disclosure.

What success looks like

Sophisticated investors and wholesale clients continue to be able to access, and product issuers continue to be able to provide, appropriate financial services and products in an efficient manner.

Implementation approach

ASIC will make the *ASIC Corporations (Qualified Accountant) Instrument 2026/734* before 1 October 2026 and will announce it via an ASIC news item. ASIC intends to update existing guidance and information about the declaration on the ASIC website.

Evaluation planned

The qualified accountant declaration will be reviewed after 10 years in line with the sunsetting process under the *Legislation Act 2003*.

Statement of Sufficiency

I confirm that this Dashboard Impact Analysis (IA) prepared for the proposed declaration of qualified accountants under *ASIC Corporations (Qualified Accountant) Instrument 2026/734* meets the requirements set out in the *Australian Government Impact Analysis Framework*.

I confirm that the level of analysis is proportionate to the policy issue being considered.

I note the Dashboard IA provides analysis of the impacts of the proposal using the 7 IA questions and:

- a high-level summary of costs and benefits and an estimate in the change in the regulatory burden, of the policy options under consideration
- high-level analysis of the policy option against the government's key strategic priorities
- a summary of relevant distributional effects and evidence of key stakeholder feedback incorporated into the policy design
- other details required to understand and assess the proposal.

Endorsed by
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