AustralianSuper

31/07/2026

Wholesale Markets, Market Conduct
Australian Securities and Investments Commission (ASIC)
GPO Box 9827
Melbourne
VIC 3001

Via email to: **markets.consultation@asic.gov.au**

Dear ASIC,

AustralianSuper feedback on proposed Regulatory Guide on pre-hedging

AustralianSuper welcomes the opportunity to provide a submission on ASIC's proposed Regulatory Guide on pre-hedging.

AustralianSuper is Australia's largest superannuation fund and is run only to benefit members. AustralianSuper has over 3.6 million members and manages over $410 billion of members' assets.

AustralianSuper's vision is to be Australia's leading superannuation fund, in the world's best system for members. As a counterparty to market participants that may pre-hedge[1] transactions, we support the proposed Regulatory Guide. Building on ASIC's letter to market participants in February 2024, the proposed guidance provides further clarity that pre-hedging arrangements should not disadvantage clients. This aligns with our objective of delivering the best possible retirement outcomes for members.

The proposed Regulatory Guide provides useful clarity regarding ASIC's expectations of market participants that undertake pre-hedging. More specifically, we support the guidance that market participants should:

- Provide meaningful disclosure to clients;
- Seek client consent;
- Implement controls to manage conduct and market integrity risks; and
- Undertake post-trade monitoring and review.

Clarifying these expectations through regulatory guidance will promote more transparent pre-hedging practices, enhance the accountability of market participants and mitigate potential concerns that pre-hedging is undertaken at the expense of clients.

Informed consent

AustralianSuper believes that client consent to pre-hedging should be informed, specific and meaningful. Informed consent is a key safeguard that strengthens client protections, mitigates potential disputes and reinforces confidence that pre-hedging is being undertaken with the intention of benefiting clients.

[1] ASIC's proposed Regulatory Guide defines pre-hedging as "a type of trading where you [market participants] receive information about an anticipated client transaction, and you take an offsetting position to reduce the exposure to that anticipated risk before the client transaction and crystallisation of the risk".

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The final version of the Regulatory Guide could further explain that consent should not be inferred solely from standard terms of business or generic trading documentation. This will support clients' understanding of when pre-hedging may occur, why it is undertaken and the potential implications for client outcomes, and will ultimately inform their decisions on how and when transactions should be executed.

Observed 'better practices'

AustralianSuper supports ASIC's proposal in the consultation paper to include the three observed 'better practices' in the final version of the Regulatory Guide. These examples provide practical guidance on how market intermediaries should take steps to uphold client outcomes and market integrity.

While a principles-based approach generally remains appropriate, the identification of 'better practices' provides a clear benchmark for conduct and encourages consistency across the market.

Further information

We would be pleased to provide additional information or to discuss this submission in further detail. If that would be of assistance, please do not hesitate to contact me or Emma Carr, Head of Government Relations and Public Policy (**ecarr@australiansuper.com**).

Regards,

Trent Hayes
Head of Dealing

T 03 8648 3900
Level 30, 130 Lonsdale Street
Melbourne VIC 3000 Australia
australiansuper.com