



White collar & corporate crime sentencing and penalty regime

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Australia's enforcement landscape for white collar and corporate crime continues to evolve, driven by legislative reforms, case law, and increasingly assertive regulatory agencies such as ASIC. In recent years, courts have demonstrated a clear willingness to impose custodial sentences, substantial pecuniary penalties, and director disqualification orders as part of a broader deterrent strategy.

In 2026 ASIC's enforcement priorities emphasise market integrity, governance failures, consumer harm, and misconduct in emerging financial sectors. This reflects a shift toward stronger, faster, and more targeted enforcement outcomes across insider trading, market manipulation, misleading disclosure, and whistleblower victimisation.

What laws govern white collar and corporate crime in Australia?

White collar and corporate crime in Australia is principally governed by the [Corporations Act 2001](#) (Cth) and the [ASIC Act 2001](#) (Cth). Core offences include:

- insider trading (s 1043A)
- market manipulation (s 1041A)
- misleading or deceptive statements (s 1041E)
- financial services licensing breaches (s 911A), and

- whistleblower victimisation (Part 9.4AAA)

These provisions carry both civil and criminal penalties, with maximum penalties for the most serious offences reaching 15 years' imprisonment, reflecting Parliament's intent to align corporate crime sentencing with other serious criminal conduct.

Insider trading: sentencing trends and recent cases

Insider trading continues to attract some of Australia's harshest corporate crime penalties. Recent decisions highlight the increased use of imprisonment, combined with financial penalties and forfeiture of illicit profits.

CDPP v Forrest [2026] FCA 14 is the first outcome under ASIC's new criminal investigation taskforce. Formed in 2024, the taskforce gives ASIC increased resources and expertise for investigating insider trading cases.

- Mr Forrest, a former investment manager, traded on confidential takeover information and procuring others to trade, yielding more than \$300,000 in profit
- He pleaded guilty to two counts of insider trading
- At sentence, the Federal Court noted the seriousness of insider misconduct and the need for general deterrence – Mr Forrest was sentenced to 6 years imprisonment
- Mr Forrest is appealing the sentence – the Full Federal Court will determine whether the sentence was excessive

This is also one of the first matters to be referred to the Federal Court under its expanded criminal jurisdiction.

Another insider trading example is [CDPP v Stewart \[2025\] VCC 1306](#), the County Court imposed 18 months' imprisonment and a \$64,975.48 pecuniary penalty order for insider trading involving Kidman Resources shares. The offending included trading on confidential takeover information and encouraging a relative to trade. The court reiterated that insider trading "shatters public confidence" in financial markets and warrants strong punishment, irrespective of whether the profit was relatively modest.

Mr Stewart was also disqualified from being a director for a period of 5 years.

Market manipulation and misleading conduct

Market manipulation is treated as a serious threat to market integrity, carrying criminal liability and civil penalties. Section 1041A of the [Corporations Act 2021](#) (Cth) prohibits conducting transactions that create or maintain an artificial price, while related provisions address false trading and misleading conduct. Courts have adopted a wide interpretation of "artificial price," finding liability even where the manipulator's dominant purpose is not solely artificial price creation.

ASIC employs surveillance systems to detect patterns such as wash trades, spoofing, and false market signals. Investigations typically involve [compulsory examinations](#) and extensive data collection, signalling the seriousness with which ASIC approaches these offences

Whistleblower victimisation and corporate accountability

Whistleblower protection has become a major enforcement focus. In [ASIC v TerraCom Ltd \(No 3\) \[2025\] FCA 1017](#), the Federal Court imposed a \$7.5 million penalty and a costs order of \$1 million in after TerraCom admitted to conduct amounting to whistleblower victimisation. The decision marks the finalisation of ASIC's first enforcement of the anti-victimisation civil penalty provisions in Part 9.4AAA of the Corporations Act 2001 [introduced in 2019 as part of amendments aiming to enhance whistleblower protections](#).

ASIC and TerraCom agreed with the penalty amount which was ultimately adopted by the Court.

The Court emphasised the seriousness of "hurt, humiliation, distress and reputational damage" inflicted on the whistleblower, reinforcing that retaliation against whistleblowers constitutes objectively serious corporate misconduct resulting in huge fines.

ASIC's evolving enforcement strategy

ASIC has doubled the number of new investigations and nearly doubled court-filed matters in the 12 months leading into 2026, signalling an aggressive regulatory approach. Its 2026 enforcement priorities highlight consumer harm, private credit misconduct, reporting failures, and enduring themes such as [insider trading](#) and market manipulation. ASIC's approach now emphasises substance over form, focusing on organisational culture, governance systems, and real-world outcomes rather than box-ticking compliance programs. This aligns with broader government and judicial expectations of proactive risk management and transparent corporate behaviour.

What to do if you're facing an ASIC investigation

If you or your organisation is under investigation - or concerned about potential exposure - the most important step is to seek specialist legal advice early. Australia's sentencing and penalty regime for [white collar and corporate crime](#) demonstrates a clear trend toward tougher enforcement, multimillion-dollar penalties, expanded civil liability, and a growing use of imprisonment for serious market offences. Recent judgments confirm the courts' strong emphasis on deterrence and market integrity, while ASIC's evolving strategy reflects a broader regulatory shift toward proactive, data-driven intervention.

Corporations and executives should ensure robust governance, whistleblower protection, and compliance systems are in place, as regulators continue to intensify scrutiny across Australia's financial and corporate landscape.

[Gilshenan &Luton is a Brisbane-based firm with expertise in white-collar crime and regulatory defence](#), with a distinguished record of successfully supporting clients during [ASIC and other regulatory investigations](#).

Contact Gilshenan &Luton to discuss how we can assist you

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