





# **Corporations and Other Legislation Amendment (Corporate Collective Investment Vehicle Framework) Regulations 2022**

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I, General the Honourable David Hurley AC DSC (Retd), Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulations.

Dated 31 March 2022

David Hurley  
Governor-General

By His Excellency's Command

Michael Sukkar  
Assistant Treasurer, Minister for Housing and Minister for Homelessness, Social and  
Community Housing

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## 1 Name

This instrument is the *Corporations and Other Legislation Amendment (Corporate Collective Investment Vehicle Framework) Regulations 2022*.

## 2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The later of: (a) the day after this instrument is registered; and (b) 1 July 2022.	1 July 2022 (paragraph (b) applies)

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

## 3 Authority

This instrument is made under the following:

- (a) the *Australian Securities and Investments Commission Act 2001*;
- (b) the *Corporations Act 2001*;
- (c) the *Personal Property Securities Act 2009*.

## 4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

## Schedule 1—Main amendments

### *Australian Securities and Investments Commission Regulations 2001*

#### **1 Subregulation 8AAA(2) (after table item 16A)**

Insert:

16B	Section 1226C of the <i>Corporations Act 2001</i>	Powers relating to a request for information
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### *Corporations Regulations 2001*

#### **2 Paragraph 1.0.07(f)**

Repeal the paragraph, substitute:

- (f) for a document for a corporation, managed investment scheme or sub-fund of a CCIV (the *subject*)—display on the first page of the document or, if the document is a single sheet, on that sheet:
  - (i) the subject’s name; and
  - (ii) subject to regulation 7.6.03, the subject’s ACN, ARBN, ARSN or ARFN; and
  - (iii) subject to regulation 7.6.03, if the last 9 digits of the subject’s ABN are the same, and in the same order, as the last 9 digits of the subject’s ACN, ARBN, ARSN or ARFN—the subject’s ABN; and
  - (iv) if the subject is a managed investment scheme that is a notified foreign passport fund—the NFPFRN for the fund and any other unique number for the fund allocated to the fund by ASIC; and
- (fa) for all documents—display on the first page of the document or, if the document is a single sheet, on that sheet:
  - (i) the title of the document; and
  - (ii) the section number of the Act under which the document is being lodged; and

#### **3 Paragraph 1.0.08(1)(a)**

After “a company”, insert “(other than a retail CCIV)”.

#### **4 At the end of subregulation 1.0.08(1)**

Add:

- ; or (d) if the disclosing entity is a retail CCIV:
  - (i) the name of the sub-fund of the CCIV in respect of which the document is lodged; and
  - (ii) the name of the corporate director of the CCIV; and
  - (iii) the ACN of the CCIV or, if the last 9 digits of its ABN are the same, and in the same order, as the last 9 digits of its ACN, the ABN of the company; and
  - (iv) the ARFN of that sub-fund of the CCIV or, if the last 9 digits of its ABN are the same, and in the same order, as the last 9 digits of its ARFN, the ABN of that sub-fund; and

- (v) the dates on which the financial year to which the document relates begins and ends; and
- (vi) a statement of certification in accordance with regulation 1.0.16.

Note: Section 1232C of the Act extends section 292 of the Act to preparing annual financial reports and directors' reports for sub-funds of retail CCIVs, and applies Division 1 of Part 2M.3 of the Act accordingly.

## 5 Paragraph 1.0.09(a)

After "a company", insert "(other than a retail CCIV)".

## 6 At the end of regulation 1.0.09

Add:

- ; or (d) if the disclosing entity is a retail CCIV:
  - (i) the name of the sub-fund of the CCIV in respect of which the document is lodged; and
  - (ii) the name of the corporate director of the CCIV; and
  - (iii) the ACN of the CCIV or, if the last 9 digits of its ABN are the same, and in the same order, as the last 9 digits of its ACN, the ABN of the company; and
  - (iv) the ARFN of that sub-fund of the CCIV or, if the last 9 digits of its ABN are the same, and in the same order, as the last 9 digits of its ARFN, the ABN of that sub-fund; and
  - (v) the dates on which the financial year to which the document relates begins and ends; and
  - (vi) a statement of certification in accordance with regulation 1.0.16.

Note: Section 1232F of the Act extends section 302 of the Act to preparing half-year financial reports and directors' reports for sub-funds of retail CCIVs (if there are ED securities referable to the sub-fund), and applies Division 2 of Part 2M.3 of the Act accordingly.

## 7 Subregulation 2N.2.01(1)

After "prescribed for a company", insert "(other than a CCIV)".

## 8 After subregulation 2N.2.01(1)

Insert:

### *Particulars for a CCIV*

- (1A) For the purposes of section 346B of the Act, the following particulars are prescribed for a CCIV:
  - (a) ACN;
  - (b) name;
  - (c) address of registered office;
  - (d) for the corporate director of the CCIV:
    - (i) the ACN of the corporate director; and
    - (ii) the name of the corporate director; and
    - (iii) the date of appointment of the corporate director;
  - (e) for each sub-fund of the CCIV:
    - (i) the ARFN of the sub-fund; and

- (ii) the name of the sub-fund;
- (f) for issued shares—the sub-funds to which the shares are referable, and for each sub-fund:
  - (i) the classes of shares referable to the sub-fund; and
  - (ii) the number of shares referable to the sub-fund in each of those classes; and
  - (iii) for each of those classes—the total amount paid up for shares referable to the sub-fund in the class; and
  - (iv) for each of those classes—the total amount unpaid for shares referable to the sub-fund in the class.

### **9 Subregulation 2N.4.01(1)**

After “prescribed for a company”, insert “(other than a CCIV)”.

### **10 After subregulation 2N.4.01(1)**

Insert:

#### *Particulars for a CCIV*

- (1A) For the purposes of section 348B of the Act, the following particulars are prescribed for a CCIV:
  - (a) for the corporate director of the CCIV:
    - (i) the name of the corporate director; and
    - (ii) the address of the corporate director; and
    - (iii) the date of appointment or cessation of the corporate director; and
    - (iv) the date of change of name or change of address of the corporate director; and
    - (v) evidence that a specified person is (or is not) the corporate director;
  - (b) the date on which a new member’s name was entered in the register of members kept by the CCIV;
  - (c) for each sub-fund of the CCIV:
    - (i) the date of issue, cancellation, or transfer of shares referable to the sub-fund; and
    - (ii) the classes of shares referable to the sub-fund; and
    - (iii) for each of those classes—the total number and value of shares referable to the sub-fund in the class; and
    - (iv) for each of those classes—the total amount paid up for shares referable to the sub-fund in the class; and
    - (v) for each of those classes—the total amount unpaid for shares referable to the sub-fund in the class;
  - (d) for each sub-fund of the CCIV—a statement that the sub-fund is listed (or not listed) and, if the sub-fund is listed, the name of the prescribed financial market for which the sub-fund or the CCIV is included in the official list;
  - (e) for each financial year specified in the return of particulars for each sub-fund of a retail CCIV—the name of each auditor of a financial report for the sub-fund for that year;
  - (f) for a retail CCIV—the name of the auditor of the compliance plan for the retail CCIV;

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- (g) if a sub-fund of the CCIV is an Australian passport fund—the name of the implementation reviewer for the Australian passport fund for each review period for the Australian passport fund specified in the return of particulars.

**11 After subparagraph 5.4.01A(2)(b)(iii)**

Insert:

- (iiia) if paragraph 465A(1)(c) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund; and

**12 At the end of subregulation 5.4.01A(2)**

Add:

- Note: If paragraph 465A(1)(c) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this sub-regulation's references to the company so that they are references to the sub-fund.

**13 At the end of subregulation 5.4.01B(2)**

Add:

- ; (h) if subsection 465A(2) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund.

- Note: If subsection 465A(2) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this sub-regulation's references to the company so that they are references to the sub-fund.

**14 After paragraph 5.5.01(2)(c)**

Insert:

- (ca) if paragraph 491(2)(b) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund;

**15 At the end of regulation 5.5.01**

Add:

- Note: If paragraph 491(2)(b) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this regulation's references to the company so that they are references to the sub-fund.

**16 After paragraph 5.6.39(3)(c)**

Insert:

- (ca) if Division 1 of Part 5.6 of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund;

**17 At the end of regulation 5.6.39**

Add:

- Note: If Division 1 of Part 5.6 of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this regulation's references to the company so that they are references to the sub-fund.

**18 After paragraph 5.6.48(3)(c)**

Insert:

- (ca) if Division 1 of Part 5.6 of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund;

**19 At the end of regulation 5.6.48**

Add:

Note: If Division 1 of Part 5.6 of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this regulation's references to the company so that they are references to the sub-fund.

**20 At the end of subregulation 5.6.65(2A)**

Add:

; (d) if Division 1 of Part 5.6 of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund.

**21 At the end of regulation 5.6.65**

Add:

Note: If Division 1 of Part 5.6 of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this regulation's references to the company so that they are references to the sub-fund.

**22 After paragraph 5.6.70B(2)(c)**

Insert:

(ca) if subsection 568A(2) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act—the ARFN of the sub-fund;

**23 At the end of subregulation 5.6.70B(2)**

Add:

Note: If subsection 568A(2) of the Act applies for a sub-fund of a CCIV because of section 1237B of the Act, that section translates most of this sub-regulation's references to the company so that they are references to the sub-fund.

**24 After paragraph 8A.5.10(1)(c)**

Insert:

(ca) the ARFN of the sub-fund of a CCIV that constitutes the fund;

**25 After Chapter 8A**

Insert:

**Chapter 8B—Corporate collective investment vehicles**

**Part 8B.4—Corporate finance and financial reporting for CCIVs**

**Division 1—Shares**

**8B.4.10 Cross investment between sub-funds of a CCIV—restriction for circular cross-investment**

For the purposes of subsection 1230R(1) of the Act, a CCIV must not acquire, in respect of a sub-fund of the CCIV (the *acquiring sub-fund*), one or more shares

referable to another sub-fund of the CCIV (the *issuing sub-fund*) if, at the time of the proposed acquisition, the assets of the issuing sub-fund:

- (a) directly include; or
- (b) indirectly include, through one or more interposed sub-funds of the CCIV; one or more shares referable to the acquiring sub-fund.

Note: Paragraph (b) applies if, for example, at the time of the proposed acquisition:

- (a) the assets of the issuing sub-fund include shares referable to sub-fund C of the CCIV; and
  - (b) the assets of sub-fund C include shares referable to sub-fund D of the CCIV; and
  - (c) the assets of sub-fund D include shares referable to the acquiring sub-fund.
- In this example, sub-funds C and D are each interposed sub-funds.

#### **8B.4.15 Cross investment between sub-funds of a CCIV—requirements and restrictions on membership rights**

- (1) For the purposes of paragraph 1230T(3)(b) of the Act, a CCIV’s entitlement, as described in subsection 1230T(2) of the Act, to vote:
  - (a) in respect of each share that the CCIV has acquired in respect of a sub-fund of the CCIV (the *first sub-fund*) and that is referable to another sub-fund of the CCIV (the *second sub-fund*); and
  - (b) as a member of the second sub-fund on a resolution (the *relevant resolution*) at a meeting of the members of the second sub-fund;
 is subject to the requirement and restriction mentioned in subregulation (2).
- (2) For the purposes of subregulation (1), there is:
  - (a) a requirement that the CCIV must vote, in respect of each such share, on the relevant resolution in the way determined by resolution of the members of the first sub-fund; and
  - (b) a restriction that the CCIV must not vote, in respect of each such share, on the relevant resolution if a resolution that determines the way the CCIV must vote on the relevant resolution is not made by the members of the first sub-fund.

### **Division 4—Financial reports and audit of CCIVs**

#### **8B.4.40 Keeping financial records for sub-funds—further requirement for cross-investment**

- (1) For the purposes of paragraph 1232A(1)(c) of the Act, the written financial records that a CCIV must keep, for each sub-fund of the CCIV, must comply with the further requirement set out in subregulation (2).
- (2) Those records must correctly and clearly identify and explain all cross-investment between the sub-fund and any other sub-fund of the CCIV.

#### **8B.4.45 Annual financial reports for sub-funds—further requirement for cross-investment**

- (1) For the purposes of subsection 1232D(3) of the Act, a retail CCIV’s financial report for a sub-fund (the *reporting sub-fund*) for a financial year must comply with:

- (a) the further requirements set out in subregulation (2) to the extent that the assets of the reporting sub-fund include shares in the CCIV referable to another sub-fund of the CCIV; and
- (b) the further requirements set out in subregulation (3) to the extent that the assets of another sub-fund of the CCIV include shares in the CCIV referable to the reporting sub-fund.

*Requirements for the reporting sub-fund as an investor sub-fund*

- (2) The report must ensure that disclosures of the following are included in the notes to the financial statements of the reporting sub-fund for the financial year:
  - (a) the total number of shares in the CCIV that:
    - (i) are assets of the reporting sub-fund; and
    - (ii) are referable to other sub-funds of the CCIV at the end of the financial year;
  - (b) the total value of those shares at the end of the financial year and expressed in Australian dollars;
  - (c) so much of each of the totals in paragraphs (a) and (b) as relates to the shares referable to each of those other sub-funds.

*Requirements for the reporting sub-fund as an investee sub-fund*

- (3) The report must ensure that disclosures of the following are included in the notes to the financial statements of the reporting sub-fund for the financial year:
  - (a) for the shares in the CCIV referable to the reporting sub-fund of the CCIV:
    - (i) the total number of those shares that are assets of other sub-funds of the CCIV at the start of the financial year; and
    - (ii) the total number of those shares that become assets of one or more other sub-funds of the CCIV at any time during the financial year; and
    - (iii) the total number of those shares that cease to be assets of one or more other sub-funds of the CCIV at any time during the financial year; and
    - (iv) the total number of those shares that are assets of other sub-funds of the CCIV at the end of the financial year;
  - (b) all of the following:
    - (i) for the shares covered by subparagraph (a)(i)—the total value of those shares at the start of the financial year and expressed in Australian dollars;
    - (ii) for the shares covered by subparagraph (a)(ii)—the total value of those shares, worked out using the value of each share at the time the share becomes an asset as mentioned in that subparagraph, and expressed in Australian dollars;
    - (iii) for the shares covered by subparagraph (a)(iii)—the total value of those shares, worked out using the value of each share at the time the share ceases to be an asset as mentioned in that subparagraph, and expressed in Australian dollars;
    - (iv) for the shares covered by subparagraph (a)(iv)—the total value of those shares at the end of the financial year and expressed in Australian dollars;
  - (c) so much of each of the totals in paragraphs (a) and (b) as relates to the shares that are assets of each of those other sub-funds of the CCIV.

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**8B.4.50 Combining financial reports, and directors' reports etc., for sub-funds of the same CCIV**

- (1) This regulation deals with how the provisions (the *reporting provisions*) of Part 2M.3 of the Act (as modified by Chapter 8B of the Act) apply to a retail CCIV.
- (2) For the purposes of section 343 and subsection 1243A(1) of the Act, this regulation modifies the operation of the reporting provisions to the extent that, apart from those modifications, the reporting provisions could not alternatively apply to:
  - (a) a single financial report for a financial year covering one or more sub-funds of the CCIV; or
  - (b) a single directors' report for a financial year covering one or more sub-funds of the CCIV; or
  - (c) a single financial report for a half-year covering one or more sub-funds of the CCIV; or
  - (d) a single auditor's report on the financial report referred to in paragraph (a) of this subregulation; or
  - (e) a single concise report (see paragraph 1232H(1)(b) of the Act) for a financial year covering one or more sub-funds of the CCIV.

Note 1: Not all of the sub-funds of the CCIV need to be covered by one of these single reports if the CCIV chooses. The reporting provisions will continue to apply, unmodified by this regulation, for any sub-funds not covered by the report.

Note 2: All of the sub-funds covered by one of these single reports must be sub-funds of the same CCIV. The report cannot cover sub-funds of different CCIVs, even if the CCIVs share the same corporate director.

- (3) The report referred to in paragraph (2)(d) must be prepared by a single auditor, audit firm or audit company.
- (4) Each single report referred to in subregulation (2) must be prepared so that each of the matters covered by the report is shown so that the matter is clearly identifiable for each of the sub-funds covered by the report.

**Part 8B.5—Operating a CCIV****8B.5.10 Who may hold CCIV assets—minimum standards and other requirements**

- (1) For the purposes of subsection 1234G(2) of the Act, the money and property of a CCIV may be held by a person other than the CCIV if:
  - (a) the corporate director of the CCIV is satisfied that the minimum standards in subregulation (2) are met:
    - (i) for the person; and
    - (ii) for the period in which the person is engaged to perform the function of holding the money and property of the CCIV; and
  - (b) the corporate director monitors the person's compliance with the minimum standards during that period; and
  - (c) the corporate director undertakes a review of the person's compliance with the minimum standards every 13 months starting on the day the person is

engaged to perform the function of holding the money and property of the CCIV; and

- (d) the corporate director makes available to ASIC, on request, the outcomes of the review.
- (2) For the purposes of subregulation (1), the minimum standards for holding the money and property of a CCIV are met for a person and a period if:
- (a) during the period, the person has adequate capacity and resources to hold the money and property of the CCIV; and
  - (b) in the case that the person performs other functions for the CCIV at any time during the period—the person has in place, at that time, adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the person in performing the other functions.

#### **8B.5.15 Holding money and property of a CCIV on trust—exception**

- (1) For the purposes of subsection 1234K(1) of the Act, subsection 1234H(1) of the Act does not apply to the class of assets that is the money or property of a CCIV that is held outside of Australia in another jurisdiction in the circumstance mentioned in subregulation (2)
- (2) For the purposes of subregulation (1), the circumstance is that:
  - (a) it is not reasonable for the money or property of the CCIV to be held on trust under the laws in force in the other jurisdiction; and
  - (b) there are adequate safeguards in place for protecting the money or property of the CCIV, including if the person holding the money or property of the CCIV becomes insolvent.

#### **8B.5.20 Holding money and property of a CCIV separately—exception and other requirements for certain classes of assets**

- (1) For the purposes of subsections 1234K(1) and (2) of the Act, subsections 1234J(1) to (3) of the Act do not apply in relation to the class of assets of a sub-fund of a CCIV that consists of assets that:
  - (a) are of any of the following kinds (the *prescribed assets*):
    - (i) Australian or foreign currency;
    - (ii) rights to Australian or foreign currency that is held in a deposit-taking facility made available by an ADI (within the meaning of the *Banking Act 1959*);
    - (iii) rights to Australian or foreign currency that is held in a deposit-taking facility made available by a body corporate that is authorised to carry on a banking business (within the meaning of that Act) in a foreign country;
    - (iv) securities;
    - (v) derivatives; and
  - (b) are held in accordance with the requirements mentioned in subregulation (2).
- (2) For the purposes of subregulation (1), the following requirements apply in relation to the holding, by a person, of assets of a sub-fund of a CCIV that are prescribed assets:

- 
- (a) a requirement that the person holds the prescribed assets separately from any money or property of the person;
  - (b) a requirement that there are adequate safeguards in place for the protection of the prescribed assets, including if the assets of another sub-fund of the CCIV or the assets of another entity are subject to external administration;
  - (c) a requirement that the person do all things necessary to ensure that not holding the prescribed assets in accordance with subsections 1234J(1) to (3) of the Act does not restrict the CCIV’s capacity to exercise any rights in respect of the prescribed assets;
  - (d) a requirement that the person do all things necessary to ensure that a reconciliation of the prescribed assets occurs:
    - (i) each business day; or
    - (ii) if it is ordinary and reasonable, in commercial practice, to reconcile assets of the same class less frequently—as frequently as reconciliation of assets of that class would occur in accordance with that practice;
  - (e) if there is a discrepancy in the reconciliation of the prescribed assets—a requirement that the person do all things necessary to rectify the discrepancy within the period of 2 business days starting after the day the person identifies, or becomes aware of, the discrepancy;
  - (f) a requirement that the person:
    - (i) keep adequate records of the prescribed assets; and
    - (ii) provide reasonable assistance to the corporate director of the CCIV.

Note: For the purposes of paragraph (e), one of the ways a discrepancy may be rectified is through the provision of additional property by the CCIV at the request of the person holding the property.

## **26 Paragraph 9.1.02(a)**

After “each company”, insert “(other than a CCIV)”.

## **27 After paragraph 9.1.02(a)**

Insert:

- (aa) in relation to each CCIV registered under section 118 of the Act as modified by section 1222C of the Act:
  - (i) the name and address of the corporate director of the CCIV;
  - (ii) the name and address of the auditor of the corporate director of the CCIV;
  - (iii) the name and ARFN of each sub-fund of the CCIV;
  - (iv) if the CCIV is a retail CCIV—the name and address of the auditor of the compliance plan for the retail CCIV;
  - (v) the date of any amendment of the constitution or compliance plan of the CCIV;
  - (vi) any deregistration of the CCIV or a sub-fund of the CCIV;
  - (vii) the name and address of the auditor of the CCIV;

## **28 Clause 6101 of Schedule 6 (at the end of the table)**

Add:

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10	Corporate Collective Investment Vehicle	CCIV
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## 29 Clause 8101 of Schedule 8

Insert:

*relevant marketable securities* means:

- (a) unless paragraph (b) applies—marketable securities; or
- (b) if, because of section 1235C of the Act, the subject of the Scheme is a sub-fund of a CCIV:
  - (i) shares or debentures; or
  - (ii) any rights or options in respect of shares.

Note: If, because of section 1235C of the Act, the subject of the Scheme is a sub-fund of a CCIV, that section translates most of this Schedule's references to the company so that they are references to the sub-fund.

## 30 Paragraph 8302(a) of Schedule 8

Omit “marketable securities”, substitute “relevant marketable securities”.

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## Schedule 2—Simple sub-fund products

### *Corporations Regulations 2001*

#### **1 Subregulation 1.0.02(1)**

Insert:

*simple sub-fund product* means a security in a retail CCIV that is, or was, offered because the security is referable to a sub-fund of the CCIV (other than a passport fund) that meets one of the following requirements:

- (a) the CCIV, in respect of the sub-fund, invests at least 80% of the assets of the sub-fund in money in an account with a bank on the basis that the money is available for withdrawal:
  - (i) immediately during the bank’s normal business hours; or
  - (ii) at the end of a fixed-term period that does not exceed 3 months;
- (b) the CCIV, in respect of the sub-fund, invests at least 80% of the assets of the sub-fund in money on deposit with a bank on the basis that the money is available for withdrawal:
  - (i) immediately during the bank’s normal business hours; or
  - (ii) at the end of a fixed-term period that does not exceed 3 months;
- (c) the CCIV, in respect of the sub-fund, invests at least 80% of the assets of the sub-fund under one or more arrangements by which the corporate director of the CCIV can reasonably expect to realise the investment, at the market value of the assets, within 10 days.

#### **2 Subregulation 7.7.08A(1D)**

Repeal the subregulation, substitute:

- (1D) This regulation does not apply if the Product Disclosure Statement is for:
- (a) a simple managed investment scheme to which Subdivision 4.2C of Division 4 of Part 7.9 applies; or
  - (b) a simple sub-fund product to which Subdivision 4.2D of Division 4 of Part 7.9 applies.

#### **3 Regulation 7.9.09 (heading)**

Omit “**Division 4**”, substitute “**this Division**”.

#### **4 Paragraph 7.9.09(1)(f)**

Omit “Division 4 of Part 7.9”, substitute “this Division”.

#### **5 At the end of subregulation 7.9.09(1)**

Add:

- ; and (h) a simple sub-fund product to which Subdivision 4.2D of this Division applies.

#### **6 Regulation 7.9.09A (heading)**

Before “**Subdivision**”, insert “**this**”.

**7 Regulation 7.9.11 (heading)**

Omit “Subdivision 4.2A”, substitute “this Subdivision”.

**8 Regulation 7.9.11K (heading)**

Omit “Subdivision 4.2B”, substitute “this Subdivision”.

**9 Regulation 7.9.11S (heading)**

Omit “Subdivision 4.2C”, substitute “this Subdivision”.

**10 After Subdivision 4.2C of Division 4 of Part 7.9**

Insert:

**Subdivision 4.2D—Content of Product Disclosure Statement for simple sub-fund products**

**7.9.11ZA Application of this Subdivision**

- (1) This Subdivision applies to:
  - (a) a person that is required to prepare a Product Disclosure Statement for a simple sub-fund product; and
  - (b) a Product Disclosure Statement for a simple sub-fund product.
- (2) This Subdivision does not apply to the extent that the simple sub-fund product is a financial product (known as a “quoted product”) that is, or is intended to be, traded on a prescribed financial market.
- (3) This Subdivision does not apply to the extent that the simple sub-fund product relates to a financial product (known as a “stapled security”) to which the following requirements apply:
  - (a) the product consists of interests in 2 or more financial products;
  - (b) the interests include at least one security in a CCIV;
  - (c) under the terms on which each of the interests is to be traded, the interests must be transferred together;
  - (d) there are no financial products in the same class as the interests that may be transferred separately.
- (4) This Subdivision does not apply to the extent that the simple sub-fund product is a security in a CCIV (referable to a sub-fund of the CCIV) and the CCIV has a constitution that provides:
  - (a) that a member of the sub-fund may direct that an amount of money corresponding to part or all of the amount invested by the member in the sub-fund be invested in accessible investments; and
  - (b) that any distributions to members of the sub-fund will be determined by reference to amounts received by the CCIV in relation to the accessible investments acquired in accordance with the direction.

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**7.9.11ZB Provisions of Part 7.7 of Act that do not apply in relation to simple sub-fund products**

For the purposes of paragraph 951C(1)(b) of the Act, section 942DA of the Act does not apply in relation to a simple sub-fund product to which this Subdivision applies.

**7.9.11ZC Provisions of Part 7.9 of Act that do not apply in relation to simple sub-fund products**

For the purposes of paragraph 1020G(1)(b) of the Act, Subdivision D of Division 2 of Part 7.9 of the Act does not apply in relation to a simple sub-fund product to which this Subdivision applies.

**7.9.11ZD Modification of Act—simple sub-fund products**

For the purposes of paragraph 1020G(1)(c) of the Act, Part 7.9 of the Act is modified in its application to a simple sub-fund product to which this Subdivision applies as set out in Part 5D of Schedule 10A.

**7.9.11ZE Form and content of Product Disclosure Statement for simple sub-fund products**

- (1) For the purposes of paragraph 1013C(1)(a) of the Act, as modified by Part 5D of Schedule 10A, a Product Disclosure Statement for a simple sub-fund product to which this Subdivision applies must include the statements and information mentioned in Schedule 10F.
- (2) For the purposes of paragraph 1013C(1)(b) of the Act, as modified by Part 5D of Schedule 10A, a Product Disclosure Statement for a simple sub-fund product to which this Subdivision applies must be in the form mentioned in Schedule 10F.

**7.9.11ZF Requirements for references to incorporated information for simple sub-fund products**

- (1) For the purposes of subsection 1013C(1D) of the Act, as modified by Part 5D of Schedule 10A, this regulation prescribes requirements for applying, adopting or incorporating, in a Product Disclosure Statement for a simple sub-fund product to which this Subdivision applies, a matter contained in writing.
- (2) A Statement may apply, adopt or incorporate a matter only if a provision of these Regulations requires or permits the matter to be applied, adopted or incorporated by the Statement.
- (3) If a Product Disclosure Statement applies, adopts or incorporates a matter:
  - (a) the matter must be:
    - (i) in writing; and
    - (ii) clearly distinguishable from any other matters that are not applied, adopted or incorporated; and
    - (iii) publicly available in a document other than the Statement; and
  - (b) the responsible person for the Statement must identify the matter by:
    - (i) including in the Statement a concise description of the matter; and

- (ii) ensuring that the reference to the matter is clearly distinguishable from the other contents of the Statement; and
  - (c) the responsible person for the Statement must:
    - (i) identify each version of the matter (by including the date on which the version was prepared) so that a person who, at a particular time, is considering a simple sub-fund product to which this Subdivision applies can identify the version that is relevant to the simple sub-fund product at that time; and
    - (ii) state the date on which the version was prepared in a prominent position at or near the front of the version; and
  - (d) the responsible person for the Statement must ensure that a person who is relying on the Statement is able to have access to:
    - (i) the matter; or
    - (ii) if there is more than one version of the matter—each version; reasonably easily and reasonably quickly.
- (4) The responsible person for the Product Disclosure Statement must also ensure that the Statement includes the statements in the following table relating to the matter, and sets them out in each place at which the matter has been applied, adopted or incorporated.

Item	Statement
1	You should read the important information about <i>[the subject]</i> before making a decision. Go to <i>[location of the matter that has been applied, adopted or incorporated]</i>
2	The material relating to <i>[matter]</i> may change between the time when you read this Statement and the day when you acquire the product

- (5) The responsible person for the Product Disclosure Statement must also ensure that each document mentioned in subregulation (3) includes the statement in the following table relating to the matter.

Item	Statement
1	The information in this document forms part of the Product Disclosure Statement <i>[identification by name, date and version (if applicable) of each Statement]</i>

- (6) For the avoidance of doubt:
- (a) the giving of a Product Disclosure Statement to which this Subdivision applies is taken to be the giving of every matter that is applied, adopted or incorporated in accordance with subregulations (1) to (5); and
  - (b) if a document mentioned in subparagraph (3)(a)(iii) refers to more than one Product Disclosure Statement, the document:
    - (i) must include a statement to the effect that the information in the document forms part of the Product Disclosure Statement offered by the responsible person; but
    - (ii) is not required to name each Product Disclosure Statement of which it forms part.
- (7) If the Product Disclosure Statement applies, adopts or incorporates a matter, the information dealing with the matter is taken to have been given to a person on the day on which the product is acquired.

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**7.9.11ZG Retention of copies of Product Disclosure Statement for simple sub-fund products**

- (1) The responsible person for a Product Disclosure Statement for a simple sub-fund product to which this Subdivision applies must retain a copy of each version of the Statement that the responsible person issues for a period of 7 years starting on the day on which the version is prepared.
- (2) The responsible person for the Product Disclosure Statement must retain a copy of the document from which a matter is applied, adopted or incorporated by the Statement as mentioned in paragraph 7.9.11ZF(3)(c) for a period of 7 years commencing on the day on which the Statement is prepared.
- (3) If a document from which a matter is adopted, applied or incorporated by the Product Disclosure Statement as mentioned in paragraph 7.9.11ZF(3)(c) is changed in a way that changes the description of, or reference to, the matter, the responsible person for the Statement must retain a copy of the document for a period of 7 years commencing on the day on which the document is changed.

**7.9.11ZH Requirement to provide copy of Product Disclosure Statement for simple sub-fund products free of charge**

- (1) For the purposes of paragraph 1015C(5)(a) of the Act, this regulation specifies requirements as to the manner in which a Product Disclosure Statement for a simple sub-fund product to which this Subdivision applies must be given to a person if the person requests a copy of the Statement.
- (2) The responsible person for the Product Disclosure Statement must give the person, free of charge:
  - (a) a copy of the Statement within 8 business days; and
  - (b) a copy of a matter in writing that is applied, adopted or incorporated by the Statement within 8 business days.

**11 Paragraphs 7.9.15DA(1A)(b) and (c)**

Omit “Part 7.9”, substitute “this Part”.

**12 At the end of subregulation 7.9.15DA(1A)**

Add:

- ; or (d) a simple sub-fund product to which Subdivision 4.2D of Division 4 of this Part applies.

**13 Paragraphs 7.9.15DB(2)(b) and (c)**

Omit “Part 7.9”, substitute “this Part”.

**14 At the end of subregulation 7.9.15DB(2)**

Add:

- ; or (d) a simple sub-fund product to which Subdivision 4.2D of Division 4 of this Part applies.

**15 Paragraphs 7.9.15DC(2)(b) and (c)**

Omit “Part 7.9”, substitute “this Part”.

**16 At the end of subregulation 7.9.15DC(2)**

Add:

- ; or (d) a simple sub-fund product to which Subdivision 4.2D of Division 4 of this Part applies.

**17 Paragraphs 7.9.16L(2)(b) and (c)**

Omit “Part 7.9”, substitute “this Part”.

**18 At the end of subregulation 7.9.16L(2)**

Add:

- ; or (d) a simple sub-fund product to which Subdivision 4.2D of Division 4 of this Part applies.

**19 After Part 5C of Schedule 10A**

Insert:

**Part 5D—Modifications for simple sub-fund product**

**5D.1 Section 1011B, after definition of *regulated person***

*insert*

*Regulations* means the *Corporations Regulations 2001*.

**5D.2 Subsection 1013C(1)**

*substitute*

- (1) A Product Disclosure Statement for a simple sub-fund product, to which Subdivision 4.2D of Division 4 of Part 7.9 of the Regulations applies, for a retail CCIV must:
  - (a) include the statements and information required by regulations made for the purposes of this paragraph; and
  - (b) be in the form required by regulations made for the purposes of this paragraph; and
  - (c) relate only to one sub-fund of the CCIV.
- (1A) If a law other than this Act or regulations under this Act requires the responsible person for the Product Disclosure Statement:
  - (a) to give, disclose or provide a matter; or
  - (b) to include a matter in the Statement;the Statement may make provision for the matter by applying, adopting or incorporating the matter as in force at a particular time or as in force from time to time.
- (1B) In addition to subsection (1A), a Product Disclosure Statement may make provision for a matter contained in writing by applying, adopting or incorporating the matter as in force at a particular time or as in force from time to time.
- (1C) If a Product Disclosure Statement applies, adopts or incorporates a matter contained in writing:

- 
- (a) the applied, adopted or incorporated matter forms part of the Statement; and
  - (b) the responsible person for the Statement is not required to give the document that provides for the matter to a person (as part of giving the Statement or later) if that person has not asked for the document; and
  - (c) the responsible person for the Statement must give the document that provides for the matter to a person if that person asks for the document.
- (1D) The regulations may prescribe requirements for applying, adopting or incorporating a matter contained in writing in a Product Disclosure Statement.
- (1E) A Product Disclosure Statement may refer to information, other than information to which subsection (1A) or (1B) applies, that is set out in another document.
- (1F) If the Product Disclosure Statement refers to other information as permitted by subsection (1E), that information does not form part of the Statement.

Note: Although the information mentioned in subsection (1F) would not form part of the Product Disclosure Statement, it would be subject to requirements imposed by the Act or the Regulations such as the prohibition on making misleading or deceptive statements.

### **5D.3 Section 1013D**

*omit*

### **5D.4 Section 1013E**

*omit*

### **5D.5 Section 1013L**

*substitute*

## **1013L When Product Disclosure Statement may consist of 2 or more documents**

A Product Disclosure Statement may consist of 2 or more documents only if:

- (a) one of the documents is a document that complies with the requirements for a Product Disclosure Statement under this Act and the Regulations; and
- (b) the other document or documents contain a matter in writing that is applied, adopted or incorporated by the document mentioned in subparagraph (a).

### **5D.6 Subsection 1015D(3)**

*omit*

## **20 After Schedule 10E**

Insert:

# **Schedule 10F—Form and content of Product Disclosure Statement—simple sub-fund products**

(regulation 7.9.11ZE)

## **1 Length and font size for Product Disclosure Statement for simple sub-fund product**

- (1) The length of a Product Disclosure Statement for a simple sub-fund product:
- (a) to which Subdivision 4.2D of Division 4 of Part 7.9 applies; and
  - (b) that is referable to a sub-fund of a CCIV;
- must not exceed:
- (c) if it is printed on A4 pages—8 pages; or
  - (d) if it is printed on A5 pages—16 pages; or
  - (e) if it is printed on DL pages—24 pages; or
  - (f) otherwise—if it is formatted to be printed on A4 pages, 8 A4 pages.
- This requirement does not apply to any matter in writing that is applied, adopted or incorporated by the Statement.
- (2) The minimum font size for text in the Statement is:
- (a) for the name, address, ABN (if applicable), ACN (if applicable) and AFSL (if applicable) of the corporate director of the CCIV—8 points; and
  - (b) for the name, address, ABN (if applicable) and ACN (if applicable) of the CCIV—8 points; and
  - (c) for the name, ABN (if applicable) and ARFN (if applicable) of the sub-fund of the CCIV—8 points; and
  - (d) for all other text—9 points.

Note 1: The Product Disclosure Statement must be worded and presented in a clear, concise and effective manner—see subsection 1013C(3) of the Act.

Note 2: A person required to give a Product Disclosure Statement to a vision-impaired person must comply with its obligations under the *Disability Discrimination Act 1992*.

## **2 Minimum content of Product Disclosure Statement for simple sub-fund product**

- (1) The Product Disclosure Statement for the simple sub-fund product must include sections that are numbered and titled as follows:
- 1. About [name of corporate director]
  - 2. How [name of CCIV and sub-fund] work
  - 3. Benefits of investing in [name of simple sub-fund product]
  - 4. Risks of simple sub-fund products
  - 5. How we invest your money
  - 6. Fees and costs
  - 7. How sub-funds of CCIVs are taxed
  - 8. How to apply.
- (2) The Statement must include:
- (a) a table of contents that sets out the titles mentioned in subclause (1); and
  - (b) the telephone number of the corporate director of the CCIV to enable a person who invests in the simple sub-fund product to request a copy of the following under regulation 7.9.11ZH:
    - (i) a copy of the Statement;

- 
- (ii) a copy of a matter in writing that is applied, adopted or incorporated by the Statement.
- (3) The Statement must:
- (a) advise a person reading the Statement that:
    - (i) it is a summary of significant information and contains a number of references to important information (each of which forms part of the Statement); and
    - (ii) persons should consider that information before making a decision about the simple sub-fund product; and
    - (iii) the information provided in the Statement is general information only and does not take account of the person's personal financial situation or needs; and
    - (iv) the person should obtain financial advice tailored to the person's personal circumstances; and
  - (b) display the advice:
    - (i) at or near the beginning of the document; and
    - (ii) in a prominent position and style.
- (4) The Statement:
- (a) may include additional sections after sections 1 to 8; and
  - (b) may include other information;
- to an extent that does not have the effect of contravening subclause 1(1).
- (5) The Product Disclosure Statement does not need to indicate that a particular requirement is not applicable to the simple sub-fund product.

Note: The Act, as modified in accordance with Subdivision 4.2D of Division 4 of Part 7.9, requires information to be included in the Product Disclosure Statement only to the extent to which the requirement is applicable to the simple sub-fund product.

### **3 Contents of section 1 (About [name of corporate director])**

- (1) Section 1 of the Product Disclosure Statement for the simple sub-fund product must describe, in the form of a summary:
  - (a) the corporate director of the CCIV and the corporate director's role in operating the CCIV in relation to the sub-fund; and
  - (b) the investment manager for the sub-fund, if the investment manager for the sub-fund is different from the corporate director of the CCIV.
- (2) If there is more than one investment manager for the sub-fund, the Statement may describe a particular manager by applying, adopting or incorporating a matter in writing.

### **4 Contents of section 2 (How [name of CCIV and sub-fund] work)**

- (1) Section 2 of the Product Disclosure Statement for the simple sub-fund product must describe, in the form of a summary:
  - (a) how the CCIV and the sub-fund of the CCIV work; and
  - (b) the rights and interests that members of the sub-fund of the CCIV acquire.
- (2) Section 2 must:

- (a) if applicable—describe, in the form of a summary, the minimum investment amounts; and
  - (b) provide information about the structure of the CCIV and the sub-fund of the CCIV; and
  - (c) state, in general terms, that the value of securities will vary as the market value of the assets of the sub-fund of the CCIV rise or fall; and
  - (d) describe, in the form of a summary, how members of the sub-fund can increase or decrease their investment by acquiring securities or disposing of securities; and
  - (e) state, in general terms, that in some circumstances, such as when there is a freeze on redemptions, members of the sub-fund may not be able to redeem shares or dispose of securities within the usual period upon request; and
  - (f) describe the frequency of distributions and explain how distributions are calculated.
- (3) The CCIV:
- (a) may provide more detailed information on the acquisition and disposal of securities; and
  - (b) may provide the information by applying, adopting or incorporating a matter in writing.

## **5 Contents of section 3 (Benefits of investing in [name of simple sub-fund product])**

- (1) Section 3 of the Product Disclosure Statement for the simple sub-fund product must, before setting out any other information, describe, in the form of a summary:
- (a) the significant features of the simple sub-fund product; and
  - (b) the significant benefits of the simple sub-fund product.
- (2) The CCIV may provide additional information about:
- (a) any feature or benefit of the simple sub-fund product; or
  - (b) other features and benefits of the simple sub-fund product; or
  - (c) other features and benefits of simple sub-fund products;
- by applying, adopting or incorporating a matter in writing.

## **6 Contents of section 4 (Risks of simple sub-fund products)**

- (1) Section 4 of the Product Disclosure Statement for the simple sub-fund product must include statements to the following effect:
- (a) all investments carry risk;
  - (b) different strategies may carry different levels of risk, depending on the assets that make up the strategy;
  - (c) assets with the highest long-term returns may also carry the highest level of short-term risk.
- (2) Section 4 must describe, in the form of a summary, the significant risks of the particular simple sub-fund product.

- 
- (3) Section 4 must describe the significant risks of simple sub-fund products (to the extent only that the description required by subclause (2) has not already described the risk) by including statements to the following effect:
- (a) the value of investments will vary;
  - (b) the level of returns will vary, and future returns may differ from past returns;
  - (c) returns are not guaranteed, and members may lose some of their money;
  - (d) laws affecting CCIVs may change in the future;
  - (e) the level of risk for each person will vary depending on a range of factors, including:
    - (i) age; and
    - (ii) investment time frames; and
    - (iii) where other parts of the person's wealth are invested; and
    - (iv) the person's risk tolerance.
- (4) The CCIV may provide additional information about significant risks of simple sub-fund products by applying, adopting or incorporating a matter in writing.

## **7 Contents of section 5 (How we invest your money)**

- (1) Section 5 of the Product Disclosure Statement for the simple sub-fund product must describe, in the form of a summary, the investment options offered by the CCIV.
- (2) Section 5 must state, in the form of a warning, that the person should consider:
- (a) the likely investment return; and
  - (b) the risk; and
  - (c) the person's investment time frame;
- when choosing an option in which to invest.

### *New simple sub-fund product*

- (3) If the simple sub-fund product has never previously been offered to investors, and the CCIV does not offer any investment option mentioned in subclauses (4) and (5), section 5 must give the following information for the investment option for the CCIV that the corporate director reasonably believes has the least volatile underlying assets (whether or not section 5 gives that information for any other investment option):
- (a) the name of the option and a short description of it, including the type of investors for whom it is intended to be suitable;
  - (b) a list of the asset classes in which the option invests, setting out the strategic asset allocation of the asset classes in the form of a range or otherwise;
  - (c) a description of the investment return objective of the option;
  - (d) the minimum suggested time frame for holding the investment;
  - (e) a description, in the form of a summary, of the risk level of the option.

### *Balanced investment option*

- (4) If the CCIV has a balanced investment option (within the meaning given by clause 101 of Schedule 10), section 5 must give the following information for the

balanced investment option (whether or not section 5 gives that information for any other investment option):

- (a) the name of the option and a short description of it, including the type of investors for whom it is intended to be suitable;
- (b) a list of the asset classes in which the option invests, setting out the strategic asset allocation of the asset classes in the form of a range or otherwise;
- (c) a description of the investment return objective of the option;
- (d) the minimum suggested time frame for holding the investment;
- (e) a description, in the form of a summary, of the risk level of the option.

*No balanced investment option*

- (5) If the CCIV does not have a balanced investment option (within the meaning given by clause 101 of Schedule 10), section 5 must give the following information for the investment option under which the CCIV has the most funds invested (whether or not section 5 gives that information for any other investment option):

- (a) the name of the option and a short description of it, including the type of investors for whom it is intended to be suitable;
- (b) a list of the asset classes in which the option invests, setting out the strategic asset allocation of the asset classes in the form of a range or otherwise;
- (c) a description of the investment return objective of the option;
- (d) the minimum suggested time frame for holding the investment;
- (e) a description, in the form of a summary, of the risk level of the option.

*Additional information*

- (6) Section 5:
  - (a) must make provision for each investment option that is not presented in section 5 in accordance with subclause (3), (4) or (5); and
  - (b) may make provision for the option by applying, adopting or incorporating a matter in a document that:
    - (i) includes the information mentioned in subclause (3), (4) or (5); and
    - (ii) presents it in the way mentioned in the subclause.
- (7) The CCIV:
  - (a) must provide information about how a member of the sub-fund of the CCIV may switch the member's investments; and
  - (b) must provide information about:
    - (i) whether the CCIV's investment options may be changed; and
    - (ii) if so, how the options may be changed; and
  - (c) must describe, in the form of a summary, the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of investments relating to the CCIV; and
  - (d) may provide the information in paragraphs (a) to (c), and any additional information about investment options, by applying, adopting or incorporating a matter in writing.

**8 Contents of section 6 (Fees and costs)**

- (1) For each investment option of the CCIV that is presented in section 5 in detail in accordance with subclause 7(3), section 6 of the Product Disclosure Statement must state:

- (a) the cost of acquiring the option; and  
 (b) the fees and costs that are charged in relation to the option.

Note: The statement will be made using the template set out in subclause (3).

- (2) Before setting out any other substantive material, section 6 must:
- (a) set out the Consumer Advisory Warning in clause 221 of Schedule 10; and  
 (b) give a concise example in the form set out in the Consumer Advisory Warning in clause 221 of Schedule 10.
- (3) Section 6 must set out the fees and costs for each investment option that is presented in section 5 in detail in accordance with subclause 7(3), using the following template:

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of investment options of the CCIV	
<i>Establishment fee</i>	
<i>Contribution fee</i>	
<i>Withdrawal fee</i>	
<i>Termination fee</i>	
<b>Management costs</b>	
The fees and costs for managing your investment	

*[If there are other service fees, such as advisor service fees or special request fees, include a cross-reference to the document that contains the information mentioned in paragraph (10)(a).]*

- (4) The template is to be completed in accordance with Division 3 of Part 2 of Schedule 10 (including definitions applicable to that Division), except that:
- (a) clauses 203, 205, 206 and 207 and subclause 208(2) do not apply; and  
 (b) the reference in clause 204 to clauses 205 and 206 does not apply; and  
 (c) the example in subclause 208(1) is to be treated as stating:  
 “(for example, by using an asterisk with a footnote stating ‘The amount of this fee can be negotiated.’)”
- (5) Section 6 must set out the information about fee changes set out in paragraph 209(k) of Schedule 10.
- (6) Section 6 must:
- (a) state that the information in the template can be used to compare costs between different simple sub-fund products; and  
 (b) state concisely, and in general terms, that fees and costs can be paid directly from the person’s account or deducted from investment returns.
- (7) Section 6 must give a worked example as follows:

- (a) if the CCIV does not have a balanced investment option (within the meaning given by clause 101 of Schedule 10), section 6 must give a worked example for the default investment option;
  - (b) if the CCIV does not have a default option, and does not have a balanced investment option, section 6 must give a worked example for the investment option under which the CCIV has the most funds invested;
- in accordance with Divisions 5 and 6 of Part 2 of Schedule 10 (including definitions applicable to those Divisions), except that clauses 211 and 220 do not apply.
- (8) Section 6:
    - (a) must refer to the calculator (if any) provided by ASIC on a website operated by or on behalf of ASIC; and
    - (b) may also refer to the calculator (if any) provided by the CCIV on its website; and
    - (c) must state that each calculator referred to can be used to calculate the effect of fees and costs on account balances.
  - (9) If additional fees may be payable to a financial advisor, section 6 must:
    - (a) state, in the form of a warning, that additional fees may be paid to a financial advisor if a financial advisor is consulted; and
    - (b) refer to the Statement of Advice in which details of the fees are set out.
  - (10) The CCIV:
    - (a) must provide the fees and costs of each of the investment options in accordance with Schedule 10, and may do so by applying, adopting or incorporating a matter in writing; and
    - (b) may provide more detailed information about fees and costs by applying, adopting or incorporating a matter in writing.

## 9 Contents of section 7 (How sub-funds of CCIVs are taxed)

- (1) Section 7 of the Product Disclosure Statement for the simple sub-fund product must state, in the form of a warning, that:
  - (a) investing in a simple sub-fund product is likely to have tax consequences; and
  - (b) persons are strongly advised to seek professional tax advice.
- (2) Section 7 must also include statements to the following effect:
  - (a) CCIVs and sub-funds do not pay tax on behalf of members;
  - (b) members of the sub-fund are assessed for tax on any income and capital gains generated by the sub-fund.
- (3) The CCIV may provide additional information about:
  - (a) taxation matters relating to the sub-fund of the CCIV; or
  - (b) taxation matters relating to sub-funds of CCIVs;by applying, adopting or incorporating a matter in writing.

Note: For taxation matters relating to sub-funds of CCIVs, see Subdivision 195-C of the *Income Tax Assessment Act 1997*.

## **10 Contents of section 8 (How to apply)**

- (1) Section 8 of the Product Disclosure Statement for the simple sub-fund product must:
  - (a) describe, in the form of a summary, how to invest in the simple sub-fund product; and
  - (b) explain the cooling-off period that applies to the simple sub-fund product; and
  - (c) explain how to make a complaint (by means that include the provision of relevant contact details).
- (2) The CCIV:
  - (a) may provide more detailed information about cooling-off periods, complaints and dispute resolution; and
  - (b) may provide that information by applying, adopting or incorporating a matter in writing.

## Schedule 3—Other amendments

### *Corporations Regulations 2001*

**1 Subregulation 7.5A.60(1) (at the end of the definition of *representative capacity*)**

Add:

; or (e) the corporate director of a CCIV.

**2 Regulation 7.5A.70 (at the end of the definition of *representative capacity*)**

Add:

; or (e) the corporate director of a CCIV.

**3 Subregulation 7.5A.73(3) (paragraph (b) of the definition of *relevant capacity*)**

Omit “or trust”, substitute “, trust or CCIV”.

**4 Regulation 7.6.02AG (after subparagraph 911A(2C)(c)(ii) of the *Corporations Act 2001*)**

Insert:

(ia) acting as a corporate director of a CCIV; or

**5 Subregulation 7.6.04(1A)**

Repeal the subregulation, substitute:

(1A) Paragraph (1)(a) does not apply to a body regulated by APRA, unless the body is an RSE licensee that is also:

(a) the responsible entity of a registered scheme; or

(b) the corporate director of a CCIV.

**6 At the end of subregulation 7.7.09A(2)**

Add:

; (g) securities in a CCIV.

**7 Subregulations 7.7.09A(3) and (4)**

Omit “(f)”, substitute “(g)”.

**8 Regulation 7.9.16J (heading)**

Omit “**Division 4C**”, substitute “**this Division**”.

**9 At the end of regulation 7.9.16J**

Add:

; and (d) securities in a CCIV.

**10 Regulations 7.9.16JA and 7.9.16K (headings)**

Omit “**Division 4C**”, substitute “**this Division**”.

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**11 At the end of regulation 7.9.16K**

Add:

; and (c) in relation to securities in a CCIV:

- (i) to periodic statements (including exit statements) in relation to a reporting period commencing on or after 1 July 2022; and
- (ii) to Product Disclosure Statements issued on or after 1 July 2022.

**12 Paragraphs 7.9.16L(2)(b) and (c)**

Omit “Part 7.9”, substitute “this Part”.

**13 At the end of subregulation 7.9.16L(2)**

Add:

; or (d) a simple sub-fund product to which Subdivision 4.2D of Division 4 of this Part applies.

**14 Subregulation 7.9.60B(6)**

After “managed investment product”, insert “, a security in a CCIV”.

**15 After paragraph 7.9.64(1)(e)**

Insert:

- (ea) a security in a CCIV if, at the time the security is issued, section 1230H of the Act (about when a sub-fund is liquid) applies to the sub-fund of the CCIV to which the security is referable;

**16 After paragraph 7.9.64(1)(ha)**

Insert:

- (hb) a security in a CCIV in relation to which subsection 1016D(1) of the Act applies;

**17 After subparagraphs 7.9.67(2)(a)(iia) and (3)(a)(iia)**

Insert:

- (iib) a security in a CCIV; or

**18 At the end of subregulation 7.9.69(1)**

Add:

; (d) a security in a CCIV.

**19 At the end of subregulation 7.9.70(1)**

Add:

; or (d) a security in a CCIV.

**20 Clause 101 of Schedule 10 (paragraph (b) of the definition of *buy-sell spread*)**

After “collective investment product”, insert “(other than a security in a retail CCIV)”.

**21 Clause 101 of Schedule 10 (at the end of the definition of *buy-sell spread*)**

Add:

- ; or (c) for a collective investment product that is a security in a retail CCIV that is referable to a sub-fund of the CCIV—means an amount, deducted from the value of the security of a product holder, that represents an apportionment, among product holders for the sub-fund, of the actual or estimated transaction costs incurred by the CCIV in respect of sub-fund.

**22 Clause 101 of Schedule 10 (definition of *collective investment product*)**

After “managed investment product”, insert “, a security in a retail CCIV”.

**23 Clause 101 of Schedule 10 (paragraph (b) of the definition of *exit fee*)**

After “collective investment product”, insert “(other than a security in a retail CCIV)”.

**24 Clause 101 of Schedule 10 (at the end of the definition of *exit fee*)**

Add:

- ; and (c) for a collective investment product that is a security in a retail CCIV—means an amount paid or payable on the disposal of the security.

**25 Clause 101 of Schedule 10 (definition of *special request fees*)**

Repeal the definition, substitute:

*special request fees* includes fees paid or deducted from a product holder’s collective investment product for a request made to:

- (a) for a product that is a managed investment product for a managed investment scheme—the managed investment scheme; or
- (b) for a product that is a security in a retail CCIV that is referable to a sub-fund of the CCIV—the CCIV in respect of the sub-fund.

Example: This applies to a fee for a request for additional information from a managed investment scheme.

**26 Clause 101 of Schedule 10 (paragraphs (a) and (b) of the definition of *withdrawal fee*)**

Repeal the paragraphs, substitute:

- (a) for a product (other than a security in a retail CCIV)—a withdrawal or the disposal of an interest in the product; or
- (b) for a product that is a security in a retail CCIV—the disposal of the security.

**27 Paragraph 102(1)(a) of Schedule 10**

Before “an amount”, insert “for a product that is a managed investment product for a managed investment scheme—”.

**28 After paragraph 102(1)(a) of Schedule 10**

Insert:

- (aa) for a product that is a security in a retail CCIV that is referable to a sub-fund of the CCIV—the amount payable for administering the sub-fund;

### **29 Paragraph 102(1)(d) of Schedule 10**

Repeal the paragraph, substitute:

- (d) for a product that is a managed investment product for a managed investment scheme or is a security in a retail CCIV that is referable to a sub-fund of the CCIV—other expenses and reimbursements in relation to the managed investment scheme or the sub-fund;

### **30 Paragraph 102(1)(e) of Schedule 10**

Repeal the paragraph, substitute:

- (e) for a product that is a managed investment product for a managed investment scheme or is a security in a retail CCIV that is referable to a sub-fund of the CCIV—amounts paid or payable for investing in the assets of the managed investment scheme or in the assets of the sub-fund;

### **31 After subclause 104(1A) of Schedule 10**

Insert:

- (1B) For an investment option that is a sub-fund of a retail CCIV, the *indirect cost ratio (ICR)* for the option is the ratio of the management costs for all securities referable to the sub-fund that are not deducted directly from a product holder’s account to the total average net assets of the sub-fund.

Note: A fee deducted directly from a product holder’s account is not included in the indirect cost ratio.

### **32 Clauses 202 and 202A of Schedule 10**

Omit “managed investment scheme” (wherever occurring), substitute “[*managed investment scheme / retail CCIV*]”.

### **33 Paragraph 205(1)(b) of Schedule 10**

After “managed investment scheme”, insert “or retail CCIV”.

### **34 Clause 206 of Schedule 10**

Omit “or managed investment scheme”, substitute “, managed investment scheme or retail CCIV”.

### **35 Clause 212 of Schedule 10**

Omit “managed investment schemes”, substitute “[*managed investment schemes / retail CCIVs*]”.

### **36 Clause 212 of Schedule 10**

Omit “managed investment scheme”, substitute “[*managed investment scheme / retail CCIV*]”.

### **37 Clause 215 of Schedule 10**

Omit “or a managed investment scheme” (wherever occurring), substitute “, a managed investment scheme or a retail CCIV”.

**38 Subclauses 218A(1) and (2) of Schedule 10**

After “managed investment scheme”, insert “or a retail CCIV”.

**39 Subclause 218A(3) of Schedule 10**

After “managed investment scheme”, insert “or the retail CCIV”.

**40 At the end of clause 220 of Schedule 10**

Add:

*CCIVs*

- (3) If a retail CCIV does not offer a balanced investment option, the example should be based on:
- (a) where the CCIV offers a default investment option—that option; and
  - (b) where the CCIV does not offer a default investment option—the investment option under which the CCIV has the most funds invested.

**41 Paragraph 301(2)(b) of Schedule 10**

After “managed investment scheme”, insert “or a retail CCIV”.

**42 Item 3.1 of Schedule 10BA (after paragraph 1017H(4)(b) of the *Corporations Act 2001*)**

Insert:

- (ba) a security in a retail CCIV that is referable to a sub-fund of the CCIV that is an Australian passport fund;

**43 Item 3.1 of Schedule 10BA (subsection 1017I(2) of the *Corporations Act 2001*)**

Omit “or a managed investment product”, substitute “, managed investment product or a security in a retail CCIV”.

***Personal Property Securities Regulations 2010***

**44 Regulation 1.6**

Insert:

*ARFN* has the same meaning as in the *Corporations Act 2001*.

*CCIV* has the same meaning as in the *Corporations Act 2001*.

**45 Regulation 1.6 (definition of *National Names Index*)**

Repeal the definition.

**46 Regulation 1.6**

Insert:

*sub-fund*, of a CCIV, has the same meaning as in the *Corporations Act 2001*.

**47 Clause 1.3 of Schedule 1 (table item 2, column headed “Source”)**

Omit “National Names Index”, substitute “A business register kept by ASIC”.

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**48 Clause 1.3 of Schedule 1 (after table item 2)**

Insert:

2.5	Body corporate that is a CCIV, if the CCIV is the secured party or grantor for a sub-fund of the CCIV and the sub-fund has an ARFN	Sub-fund's ARFN	A business register kept by ASIC
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**49 Clause 1.3 of Schedule 1 (table items 3 and 4, column headed "Source")**

Omit "National Names Index", substitute "A business register kept by ASIC".

**50 Clause 4.1 of Schedule 1 (table item 5, column headed "Subject")**

Omit "National Names Index", substitute "a business register kept by ASIC".

**51 Clause 4.1 of Schedule 1 (table item 5, column headed "Purpose")**

Omit "National Names Index", substitute "a business register kept by ASIC".

**52 Clause 4.1 of Schedule 1 (table item 5, column headed "Details")**

Omit "or ARBN", substitute ", ARBN or ARFN".

**53 Clause 4.1 of Schedule 1 (table item 5, column headed "Details")**

Omit "the National Names Index" (wherever occurring), substitute "a business register kept by ASIC".

**54 Clause 2.2 of Schedule 2 (table item 2, column headed "Source")**

Omit "National Names Index", substitute "A business register kept by ASIC".

**55 Clause 2.2 of Schedule 2 (after table item 2)**

Insert:

2.5	Body corporate that is a CCIV, if the CCIV is the secured party or grantor for a sub-fund of the CCIV and the sub-fund has an ARFN	Sub-fund's ARFN	A business register kept by ASIC
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**56 Clause 2.2 of Schedule 2 (table items 3 and 4, column headed "Source")**

Omit "National Names Index", substitute "A business register kept by ASIC".