

# ASIC CLASS ORDER [CO 13/1473]

## EXPLANATORY STATEMENT

Prepared by the Australian Securities and Investments Commission

*Corporations Act 2001*

The Australian Securities and Investments Commission (**ASIC**) makes Class Order [CO 13/1473] under subsection 1020F(1) of the *Corporations Act 2001* (the **Act**).

Subsection 1020F(1) of the Act provides that ASIC may exempt a class of persons from all or specified provisions of Part 7.9 of the Act. Subsection 1020F(4) provides that an exemption may be subject to specified conditions. A person seeking to rely on the exemption must comply with the specified conditions.

### 1. Background

ASIC Class Order [CO 13/1420] (the **principal class order**) provides temporary relief from subregulation 7.9.20(2A) of the *Corporations Regulations 2001*, which requires that superannuation trustees separately report low income superannuation contributions (LISC) in members' periodic statements.

The principal class order provides a conditional exemption from complying with subregulation 7.9.20(2A), subject to compliance with one of two alternative conditions, which provide for an alternative method of disclosure.

Under the second alternative condition, the trustee must include in the periodic statement, the total amount of both the Government co-contribution and LISC received during the reporting period for the periodic statement. The trustee must refer to the total amount as “Co-contribution” in the periodic statement. After the making of the principal class order, ASIC became aware that industry practice was to describe the total amount as either a “Government co-contribution” or “Co-contribution”.

### 2. Purpose of the class order

The purpose of this amending class order is to amend the second alternative condition in the principal class order to reflect industry practice and ensure the class order is effective and achieves its purpose.

### 3. Operation of the class order

The second alternative condition in the principal class order is amended to provide that the trustee must refer to the total amount of both the Government co-contribution and LISC received during the reporting period as either a “Co-contribution” or “Government co-contribution”.

The amending class order also corrects a minor grammatical error in the principal class order without effecting any substantive change.

#### **4. Consultation**

ASIC consulted a number of superannuation industry associations before making this amending class order to confirm that the amendments were necessary and desirable so as to reflect the practice of the superannuation industry.

## **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### **ASIC Class Order [CO 13/1473]**

This class order is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview of the class order**

The class order amends Class Order [CO 13/1473], which currently allows superannuation trustees to refer to the total amount of low income superannuation contributions and co-contributions the periodic statement as a “Co-contribution”.

The amendment will provide that the total amount can be referred to as a “Co-contribution” or a “Government co-contribution”, to reflect industry practice.

#### **Human rights implications**

This class order does not engage any of the applicable rights or freedoms.

#### **Conclusion**

This class order is compatible with human rights as it does not raise any human rights issues.