

ASIC CLASS ORDER [CO 14/1118]

EXPLANATORY STATEMENT

Prepared by the Australian Securities and Investments Commission

Corporations Act 2001

The Australian Securities and Investments Commission (ASIC) makes ASIC Class Order [CO 14/1118] under s1020F(1)(c) of the *Corporations Act 2001* (the Act).

Section 1020F(1)(c) provides that ASIC may declare that Part 7.9 of the Act applies in relation to a person or a financial product, or a class of persons or financial products, as if specified provisions were omitted, modified or varied as specified in the declaration.

1. Background

The *Corporations Amendment Regulations 2010 (No 5)* established a new shorter Product Disclosure Statement (PDS) regime under Subdivision 4.2B (for superannuation products) and Subdivision 4.2C (for simple managed investment schemes) of Division 4 of Part 7.9 of the *Corporations Regulations 2001*. The shorter PDS regime fully commenced on 22 June 2012.

ASIC Class Order [CO 12/749] *Relief from the Shorter PDS regime* provides interim relief, until 30 June 2015, excluding multifunds, superannuation platforms and hedge funds from the shorter PDS regime.

2. Purpose of the class order

This class order extends the relief of Class Order [CO 12/749], pending the outcome of the Financial System Inquiry and further work by Government on the application of the shorter PDS regime to superannuation platforms, multi-funds and hedge funds.

3. Operation of the class order

The class order extends the operation of Class Order [CO 12/749] from 30 June 2015 to 30 June 2016.

4. Consultation

ASIC did not undertake a formal consultation process on extending the operation of Class Order [CO 12/749] as it is a transitional measure of a minor and machinery nature, and was requested by industry and Treasury.

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

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This legislative instrument 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 legislative instrument

The purpose of this legislative instrument is to amend ASIC Class Order [CO 12/749] (the principal class order). The principal class order excludes multifunds, superannuation platforms and hedge funds from the shorter Product Disclosure Statement regime for an interim period until 30 June 2015. This legislative instrument extends the operation of Class Order [CO 12/749] until 30 June 2016.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms.

Conclusion

This legislative instrument is compatible with human rights as it does not raise any human rights issues.