

EXPLANATORY STATEMENT ASIC Corporations (Amendment) Instrument 2016/56

Prepared by the Australian Securities and Investments Commission

Corporations Act 2001

The Australian Securities and Investments Commission (**ASIC**) makes *ASIC Corporations (Amendment) Instrument 2016/56* (**legislative instrument**) under paragraph 1020F(1)(c) of the *Corporations Act 2001* (**Act**). Paragraph 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.

Under subsection 33(3) of the *Acts Interpretations Act 1901* (as applicable to the relevant powers because of section 5C of the Act), where an Act confers a power to make, grant or issue any instrument (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary any such instrument.

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] (**principal class order**) provides interim relief, until 30 June 2016, excluding multifunds, superannuation platforms and hedge funds from the shorter PDS regime.

2. Purpose of the instrument

The legislative instrument extends the relief given by Class Order [CO 12/749] until 30 June 2017, pending further work by Government on the application of the shorter PDS regime to superannuation platforms, multi-funds and hedge funds.

3. Operation of the instrument

The legislative instrument amends paragraph 6 of the principal class order to extend the operation of the principal class order from 30 June 2016 to 30 June 2017.

4. Consultation

ASIC did not undertake a formal consultation process on extending the operation of the principal class order as the extension 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

ASIC Corporations (Amendment) Instrument 2016/56

*ASIC Corporations (Amendment) Instrument 2016/56 (the **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

The purpose of the 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 2016. This legislative instrument extends the operation of the principal class order until 30 June 2017.

Human rights implications

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

Conclusion

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