



**ASIC**  
Australian Securities &  
Investments Commission

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## **ASIC Corporations (Amendment) Instrument 2019/514**

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I, Anthony Graham, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 3 June 2019

Anthony Graham

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## **Part 1—Preliminary**

### **1 Name of legislative instrument**

This is the *ASIC Corporations (Amendment) Instrument 2019/514*.

### **2 Commencement**

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at [www.legislation.gov.au](http://www.legislation.gov.au).

### **3 Authority**

This instrument is made under paragraphs 926A(2)(a) and 951B(1)(a) of the *Corporations Act 2001*.

### **4 Schedules**

Each instrument that is specified in a Schedule to this instrument is amended as set out in the applicable items in the Schedule concerned.

## Schedule 1—Amendments

### ASIC Corporations (Generic Calculators) Instrument 2016/207

#### 1 Section 4 (definition of *present value*)

Repeal the definition, substitute:

***present value*** of an estimate of an amount payable at a future time is:

- (a) in the case of a financial calculator that is not a superannuation or retirement calculator, the amount worked out using the following formula:

$$\frac{C}{(1.025)^n}$$

where:

**C** is the estimate of the amount payable at the future time.

**n** is the number of years and part years between the present date and the future time that the amount is payable; and

Note: This formula assumes an inflation rate of 2.5% (being the mid-point of the Reserve Bank of Australia's target range for inflation over the cycle).

- (b) in the case of a financial calculator that is a superannuation or retirement calculator, the amount worked out using the following formula:

$$\frac{C}{(1+r)^n}$$

where:

**C** is the estimate of the amount payable at the future time.

**n** is the number of years and part years between the present date and the future time that the amount is payable.

**r** is:

- (i) 0.032; or

Note: This number assumes an inflation rate of 3.2% (which reflects CPI of 2% and real wage growth of 1.2%).

- (ii) such other assumed inflation rate (expressed as a decimal fraction) as is used for the purposes of the financial calculator.

## 2 Subparagraph 6(1)(d)(iv)

Repeal the subparagraph, substitute:

- (iv) where the estimate is of an amount payable at a future time of 2 or more years:
  - (A) a clear and prominent statement setting out the present value of the estimate; and
  - (B) if the calculator is a superannuation or retirement calculator and the assumed inflation rate used in calculating the present value of the estimate does not include a component that reflects the cost of meeting increases in community living standards—a clear and prominent statement:
    - (I) specifying that the present value of the estimate does not take into account the cost of meeting increases in community living standards; and
    - (II) explaining the implications of the present value not taking into account the cost of meeting those increases;

Note: Subparagraph (d)(iii) requires a clear and prominent statement of the assumed inflation rate used in calculating the present value of the estimate. Paragraph (e) requires an explanation of why the assumed inflation rate used in calculating the present value of the estimate is a reasonable assumption for the purposes of working out the present value of the estimate.

## 3 Section 7

Omit “1 July 2019”, substitute “5 December 2019”.