



**ASIC**  
Australian Securities &  
Investments Commission

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## **ASIC Corporations (Amendment) Instrument 2022/604**

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I, Jane Eccleston, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 29 June 2022

Jane Eccleston

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## Part 1—Preliminary

### 1 Name of legislative instrument

This is the *ASIC Corporations (Amendment) Instrument 2022/604*.

### 2 Commencement

(1) This instrument (other than Schedule 2) commences on the day after this instrument is registered on the Federal Register of Legislation.

(2) Schedule 2 to this instrument commences on 1 January 2023.

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Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.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

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

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

Omit the definition, substitute:

***present value*** of an estimate worked out by a financial calculator 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:

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

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; and

**r** is 0.025 or such other assumed inflation rate (expressed as a decimal fraction) as is inputted by the user of the calculator; and

Note: The default 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; and

**r** is

- (i) if the user of the calculator has not inputted an assumed inflation rate—0.032 or such other assumed inflation rate (expressed as a decimal fraction) as is used for the purpose of the financial calculator; or

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

- (ii) otherwise—the assumed inflation rate (expressed as a decimal fraction) inputted by the user of the calculator.

## 2 Subsection 5(2)

Omit the subsection, substitute:

- (2) The exemption in subsection (1) does not apply to a person if 30 days have elapsed since the person knew or was reckless with respect to whether there are reasonable grounds to believe that the person has failed, other than in an immaterial respect, to comply with a condition of this instrument without full particulars of the failure having been notified to ASIC (to the extent that the person knows those particulars or would have known them if they had undertaken reasonable enquiries).

## 3 Section 7

Repeal the section.

## Schedule 2—Amendments

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

#### 1 Section 4 (definition of *financial calculator*)

After “relating to a financial product”, insert “, other than a superannuation calculator”.

#### 2 Section 4 (note to the definition of *financial calculator*)

Repeal the note, substitute:

Note: The facility, device, table or other thing will not be a financial calculator to the extent that its output goes beyond the numerical result of a calculation and a description of what that result is. For example, an electronic facility will not be a financial calculator to the extent that it makes a recommendation about a particular financial product.

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

Omit the definition, substitute:

***present value*** of an estimate worked out by a financial calculator of an amount payable at a future time is 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; and

**r** is 0.025 or such other assumed inflation rate (expressed as a decimal fraction) as is inputted by the user of the calculator.

Note: The default 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).

#### 4 Section 4 (note to the definition of *statutory assumptions*)

Omit “and the rate of compulsory superannuation contributions”.

#### 5 Section 4 (definition of *superannuation or retirement calculator*)

Omit the definition (including the note), substitute:

***superannuation calculator*** means a facility, device, table or other thing that relates to a superannuation product or an RSA product.

Note: A superannuation calculator may relate to something else (whether or not a financial product) in addition to relating to a superannuation product or an RSA product (e.g. a superannuation calculator may also relate to the age pension).

**6 Subparagraph 6(1)(d)(iv)**

Repeal the subparagraph (including the note), substitute:

- (iv) where the estimate is of an amount payable at a future time of 2 or more years, a clear and prominent statement setting out the present value of the calculation or estimate; and