



**ASIC**  
Australian Securities &  
Investments Commission

# Explanatory Statement

## *ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14*

This is the Explanatory Statement for *ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14* (the **Instrument**).

The Explanatory Statement is approved by the Australian Securities and Investments Commission (**ASIC**).

### Summary

1. Under section 1017D of the *Corporations Act 2001 (Act)*, an issuer of an interest in a registered managed investment scheme or sub-fund of a CCIV, must provide a retail client with a periodic statement for each reporting period. The Instrument provides relief from certain periodic statement content requirements to issuers of interests in managed investment schemes or sub-funds of a CCIV that are listed or able to be traded on a licensed financial market (**quoted securities**).
2. The Instrument replaces ASIC's previous legislative instrument ASIC Class Order [\[CO 13/1200\]](#) *Periodic statements relief for AQUA quoted and listed managed investment scheme manager*, which is repealed by *ASIC Corporations (Repeal) Instrument 2024/19*.

### Purpose of the Instrument

3. Section 1017D of the Act and the *Corporations Regulations 2001 (Regulations)* impose an obligation on issuers of certain financial products (including quoted securities) to give periodic statements to retail clients with specific content requirements. The periodic statement must be given for each reporting period that the retail client holds the financial product and a reporting period must not exceed 1 year. The statements must contain information that members need to assess the performance of their investment and to understand the nature and purpose of transactions in their investment.
4. Subsection 1017D(4) of the Act sets out the general content requirement for periodic statements and provides that issuers must give the holder of the financial product all information that the issuer reasonably believes a holder needs in order to understand their investment in the financial product. Further,

---

there are specific requirements that must be included as prescribed under subsection 1017D(5) of the Act as follows:

- (a) opening and closing balances;
  - (b) termination values – This is the amount the holder receives from the product issuer when they redeem their interest;
  - (c) details of transactions in relation to the product (this includes acquisitions and disposals of the financial product on market);
  - (d) increases in contributions (this includes units acquired on-market or under a distribution reinvestment plan);
  - (e) return on investment – This is the change of value of a holders interest as result of investing in the financial product. It is equal to the income and capital gains received during the period and any gains/losses made as a result of transactions the investor had made during the period;
  - (f) changes in circumstances affecting the investment; and
  - (g) fees, charges and expenses paid.
5. However, issuers of quoted securities face practical difficulties when preparing periodic statements that comply with section 1017D of the Act. For example, issuers generally do not have access to the price at which investors trade on the ASX, or the volume of each trade. Paragraph 1017D(5)(c) of the Act requires the details of transactions in relation to the product during the reporting period. This information requires the issuer to obtain information on the number of interests bought or sold, and the transaction price.
  6. The purpose of the relief afforded under [CO 13/1200] and continued under the Instrument is to assist issuers of quoted securities to overcome the practical difficulties identified and impose alternative disclosure obligations for periodic statements. The requirements imposed under the Instrument are intended to assist investors to be given periodic statements that will help them understand their investment and its performance during the reporting period.

### **Consultation**

7. Before making the Instrument, [ASIC consulted publicly](#). Two submissions were received, which agreed that [CO 13/1200] was continuing to operate effectively and should be remade. One submission requested amendments to [CO 13/1200]. Given the sunset date of 1 April 2024, ASIC has determined to remake the relief in substantially the same form and will consult further with stakeholders on whether any amendments are required to the Instrument.

### **Operation of the Instrument**

8. The Instrument modifies the operation of section 1017D of the Act for quoted ED securities and ETFs.
9. Section 5 of the Instrument modifies the content required in the periodic statement under section 1017D of the Act as follows:

- 
- (a) Adding a requirement for an issuer to include information on the extent to which the quoted security has achieved its investment objectives:
    - (i) over the last 12-month financial year; and
    - (ii) the five year period ending at the end of the last financial year, or if the scheme had been registered for a shorter period prior to the end of the last financial year, that shorter period.

It is open to issuers to supplement this information with references to information previously provided to investors, including instructions on how to obtain this information.

- (b) Providing that in relation to a quoted security that forms part of a stapled security, information such as costs and fees, can be provided in relation to the stapled security as a whole.
- (c) Providing that it is not necessary to specify the amount per interest in relation to a transfer, or, if applicable, stapled security paid under the transfer, the total amount paid under the transfer, or any other amounts in dollars in relation to the transfer, where:
  - (i) the issuer is not aware of the price at which the holder acquired or disposed of the quoted security during the reporting period;
  - (ii) the statement includes information about the transfer dates and number of interests transferred and an explanation of why the price per interest or stapled security and total dollar amount of the transfer have not been included.

Issuers may still use another price, such as the net asset value per interest, in place of the price at which the holder acquired or disposed of interests provided this price is not known the issuer and provided the issuer is satisfied that using a replacement price will not mislead investors. If a replacement price is used, in order to ensure that the use of the replacement price is not misleading, issuers should explain prominently that a replacement price has been used, why they have used it and where investors may be able to obtain more information about the actual price of their transactions.

- (d) Providing that it is not necessary to include the return on investment, where the issuer is not able to calculate the return on investment and the periodic statement includes an explanation why this information is not included and a description of how it can be obtained and calculated.

### **Legislative instrument and primary legislation**

- 10. The subject matter and policy implemented by this instrument is more appropriate for a legislative instrument rather than primary legislation because the Instrument contain technical detail which would otherwise introduce unnecessary complexity to the primary legislation. It will be a matter for the

---

Government and for Parliament as to whether the Act or the Regulations may be amended in future to include the relief in the Instrument.

**Duration of the Instrument**

11. The duration of the Instrument is 5 years. ASIC considers that a maximum of five years is the appropriate duration for the Instrument.

**Legislative authority**

12. The Instrument is made under paragraph 1020F(1)(c) of the Act.
13. The Instrument is a disallowable legislative instrument.

**Statement of Compatibility with Human Rights**

14. The Explanatory Statement for a disallowable legislative instrument must contain a Statement of Compatibility with Human Rights under subsection 9(1) of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A Statement of Compatibility with Human Rights is in the Attachment.

## Statement of Compatibility with Human Rights

This Statement of Compatibility with Human Rights is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

*ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14* (the **Instrument**).

### Overview

1. Under section 1017D of the *Corporations Act 2001 (Act)*, an issuer of an interest in a registered managed investment scheme or sub-fund of a CCIV, must provide a retail client with a periodic statement for each reporting period. The Instrument provides relief from certain periodic statement content requirements to issuers of interests in managed investment schemes or sub-fund of a CCIV that are listed or able to be traded on a licensed financial market.

### Assessment of human rights implications

2. The Instrument does not engage any of the applicable rights or freedoms.

### Conclusion

3. This 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*.