# EXPOSURE DRAFT EXPLANATORY STATEMENT

## Issued by authority of the Assistant Treasurer, Minister for Housing and Minister for Homelessness, Social and Community Housing

*Corporations Act 2001*

*Corporations and Other Legislation Amendment (Corporate Collective Investment Vehicle Framework) Regulations 2021*

Section 1364 of the *Corporations Act 2001* (the Corporations Act) and section 251 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Corporations Act.

The purpose of the *Corporations and Other Legislation Amendment (Corporate Collective Investment Vehicle Framework) Regulations 2021* (the CCIV Regulations) is to make the amendments to the *Corporations Regulations 2001* (the Corporations Regulations), the *Australian Securities and Investments Commission Regulations 2001* (ASIC Regulations) and other miscellaneous regulations which are necessary to implement the Corporate Collective Investment Vehicle (CCIV) regime. The CCIV regime aims to increase the competitiveness of Australia’s managed funds industry internationally by attracting more offshore investment. The CCIV regime utilises a company structure limited by shares which is more recognisable to offshore investors and fund managers.

The *Corporate Collective Investment Vehicle Framework and Other Measures Act 2021* (the CCIV Act) inserts a new Chapter 8B into the Corporations Act and makes related amendments to that Act and the ASIC Act. It includes:

* the registration process for CCIVs and any sub-fund(s) of a CCIV;
* governance rules (including the requirements for the CCIV’s constitution, the operation of the CCIV by its single corporate director and member protections);
* rules for the management of a CCIV’s share capital;
* financial record-keeping and reporting requirements;
* rules for the operation and external administration of the CCIV’s sub-fund(s); and
* the framework for the regulation of financial services provided by the CCIV and its corporate director, including licensing and disclosure requirements.

Consistent with the regulatory regime established by the CCIV Act, the CCIV Regulations make amendments to the Corporations Regulations and ASIC Regulations, including in relation to the following matters:

* prohibition on circular cross-investment between sub-funds of a CCIV;
* facilitation of a CCIV’s vote at a resolution of the members of a sub-fund of the CCIV (where the CCIV has a vote on shares acquired under cross-investment);
* financial record-keeping and reporting requirements in relation to cross-investment;
* minimum standards and other requirements for the custody of a CCIV’s assets;
* facilitation of a short form Product Disclosure Statement for simple sub-fund products;
* ASIC’s information gathering powers in relation to the compliance plan of a retail CCIV.

Further consequential amendments will be made to regulations and other instruments consistent with the CCIV Act, including:

* further consequential amendments to Chapter 7 of the Corporations Regulations for the regulation of financial services for CCIVs;
* revisions to the *Corporations (Fees) Regulations 2001* and *Corporations (Review Fees) Regulations 2003* to reflect any fees for CCIVs;
* any necessary consequential amendments to the *Insolvency Practice (Corporations) Rules 2016* as part of the external administration of sub-funds of a CCIV; and
* transitional arrangements to ensure that persons currently licensed to provide advice, or deal in interests, in a managed investment scheme may also provide advice, or deal in, securities in a CCIV from commencement of the CCIV regime.

Details of the CCIV Regulations are set out in the Attachment.

Neither the Corporations Act nor the ASIC Act specify any conditions that must be satisfied before the power to make Regulations may be exercised.

The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Regulations will commence on the later of the day after the instrument is registered and 1 July 2022.

**ATTACHMENT**

**Details of the *Corporations and Other Legislation Amendment (Corporate Collective Investment Vehicle Framework) Regulations 2021***

**Section 1 – Name of the Regulations**

This section provides that the name of the Regulations is the *Corporations and Other Legislation Amendment (Corporate Collective Investment Vehicle Framework) Regulations 2021* (the CCIV Regulations).

**Section 2 – Commencement**

The CCIV Regulations commence on the later of the day after the instrument is registered and 1 July 2022.

**Section 3 – Authority**

The CCIV Regulations are made under section 1364 of the *Corporations Act 2001* and section 251 of the *Australian Securities and Investments Commission Act 2001*.

**Section 4 – Schedules**

This section provides that each instrument that is specified in the Schedules to this instrument will be amended or repealed as set out in the applicable items in the Schedules, and any other item in the Schedules to this instrument has effect according to its terms.

**Schedule 1 – Main amendments**

Item 24 – New Chapter 8B of the Corporations Regulations

Item 24 inserts Chapter 8B into the Corporations Regulations which prescribes certain matters in relation to Chapter 8B inserted into the Corpoations Act by the CCIV Act.

***Part 8B.4—Corporate finance and financial reporting for CCIVs***

***Division 1 – Shares***

*Restrictions on cross-investment between sub-funds of a CCIV*

Under the CCIV Act, sub-funds of the same CCIV are permitted to undertake cross‑investment. That is, the CCIV may acquire, in respect of one sub-fund, shares referable to another sub-fund of the CCIV (see section 1230Q). Those shares become the assets of the acquiring sub-fund. Cross-investment is subject to any requirements or restrictions prescribed in the Corporations Regulations (see sections 1230R and 1230S).

Regulation 8B.4.10 prohibits a CCIV from engaging in circular cross-investment. That is, the CCIV must not acquire, in respect of one sub-fund (the acquiring sub-fund), shares that are referable to another sub‑fund (the issuing sub-fund) if doing so would result in the acquiring sub-fund obtaining an interest in itself, whether directly or indirectly.

An acquiring sub‑fund obtains an interest in itself if the issuing sub-fund has as an asset:

* shares referable to the acquiring sub-fund (direct circular cross-investment); or
* shares referable to another sub-fund of the CCIV (an interposed sub-fund), where that interposed sub-fund’s assets include shares referable to either the acquiring sub-fund or another interposed sub-fund (indirect circular cross-investment).

Diagram 1 illustrates an example of direct circular cross-investment and Diagram 2 illustrates an example of indirect circular cross-investment.

Under the CCIV Act, a contravention of this regulation does not affect the validity of the acquisition or of any contract or traction connected with it. In addition, the CCIV itself does not commit an offence. However, a person involved in a contravention is liable for an offence (if the involvement is dishonest) or a civil penalty under the CCIV Act (that attracts the consequences set out in Part 9.4B of the Corporations Act) (see section 1230S).

**Diagram 1 – Direct circular cross-investment**



In this example of direct circular cross-investment, the CCIV has acquired, in respect of sub-fund 1, shares referable to sub-fund 2. The shares referable to sub-fund 2 are assets of sub-fund 1.

Accordingly, the CCIV is prohibited from acquiring, in respect of sub-fund 2, shares referable to sub‑fund 1. The investment represented by the dotted line in Diagram 1 would therefore be prohibited by the Regulation 8B.4.10.

**Diagram 2 – Indirect circular cross-investment**



In this example of indirect circular cross-investment, the CCIV has acquired:

* for sub-fund 1, shares referable to sub-fund 2 – such that sub-fund 1’s assets include shares referable to sub-fund 2;
* for sub-fund 2, shares referable to sub-fund 3 – such that sub-fund 2’s assets include shares referable to sub-fund 3;
* for sub-fund 3, shares referable to sub-fund 4 – such that sub-fund 3’s assets include shares referable to sub-fund 4; and
* for sub-fund 4, shares referable to sub-fund 5 – such that sub-fund 4’s assets include shares referable to sub-fund 5.

Accordingly, the CCIV is prohibited from acquiring, in respect of sub-fund 5, shares referable to sub‑fund 1. The investment represented by the dotted line in Diagram 2 would therefore be prohibited by the Regulation 8B.4.10.

*Voting rights arising from cross-investment between sub-funds of a CCIV*

A consequence of cross-investment is that, in acquiring shares referable to one of its sub-funds, the CCIV is entitled to rights as a member of that sub-fund.

Under the CCIV Act, the CCIV is entitled to vote, as a member, on a resolution at a meeting of the members of one of its sub-funds (see subsection 1230T(2)). However, the CCIV is not entitled to vote as a member at a meeting of the members of the CCIV as a whole (see subsection 1230T(1)).

The CCIV’s entitlement to vote on a resolution of the members of a sub-fund is subject to any requirements prescribed in the CCIV Regulations (see subsection 1230T(3)).

Regulation 8B.4.1 provides that a CCIV is only entitled to vote on a resolution of a sub-fund if the members of the acquiring sub-fund pass a special resolution that determines how the CCIV is to vote. The CCIV must vote in accordance with the resolution. If a special resolution of the members of the acquiring sub-fund is not passed, the CCIV is not entitled to vote.

A CCIV may be a member of one sub-fund in respect of multiple sub-funds. This is because a CCIV may acquire, in respect of multiple sub-funds, shares referable to the same sub-fund. On a resolution of the members of that sub-fund, the CCIV’s vote is not aggregated even though it is one legal person. It must separately obtain a special resolution of the members of each acquiring sub-fund to determine its vote on behalf of that sub-fund, and then vote accordingly. This means the CCIV could cast conflicting votes on the same sub-fund resolution.

Regulation 8B.4.1 applies to any resolution on which the CCIV is entitled to vote. This may include a special resolution to determine the CCIV’s vote on another sub-fund’s resolution. ***Division 4 – Financial reports and audit of CCIVs***

Under the CCIV Act, all CCIVs must keep financial records for the CCIV and each sub‑fund (see section 1232A). Retail CCIVs must also prepare annual financial reports for each sub-fund (see section 1232C). Regulations may prescribe further requirements in relation to these records and reports.

*Financial records*

Regulation 8B.4.40 provides that the financial records of a sub-fund of a CCIV must correctly and clearly identify and explain all cross‑investment between that sub‑fund and any other sub‑fund of the same CCIV.

*Financial reporting*

Regulation 8B.4.45 provides that the annual financial report of a sub-fund of a retail CCIV must disclose all cross-investment between that sub‑fund and any other sub‑fund of the same CCIV.

Where the sub-fund is an investor (that is, it has acquired shares referable to one or more sub-funds in the same CCIV), it must disclose the number and value of the shares of other sub-funds of the CCIV that it holds as its assets as at the end of the financial year (in total and on a sub-fund by sub-fund basis).

Where the sub-fund is an investee (that is, its shares are held as assets of other sub‑funds in the same CCIV), it must disclose:

* an opening balance of the number and value of shares held as assets of other sub-funds as at the start of the financial year;
* aggregates of the number and value of shares that become assets of other sub-funds at any time during the financial year (that is, aggregate number and value of shares issued);
* aggregates of the number and value of shares that cease to be assets of other sub-funds at any time during the financial year (that is, aggregate number and value of shares disposed of); and
* a closing balance of the number and value of shares held as assets of other sub-funds as at the end of the financial year.

These disclosures must be made in total for all sub-funds, as well as separately on a sub-fund by sub‑fund basis. All disclosures regarding the value of shares must be expressed in Australian dollars.

These disclosures must be reflected in the notes to the financial statement for the sub‑fund.

*Consolidated reports*

Regulation 8B.4.50 facilitates the preparation of a single financial reports for multiple sub‑funds of a CCIV. This enables a CCIV to prepare a single financial report, directors’ report or audit report for multiple sub-funds within that CCIV at its discretion. If a consolidated report is prepared, the report must clearly identify each matter for each of the sub-funds covered by the report.

The capacity to prepare consolidated financial reports for sub-funds of a CCIV provides similar flexibility available for the financial reports of multiple registered schemes operated by the same responsible entity (which is currently facilitated by ASIC in class order relief).

***Part 8B.5 — Operating a CCIV***

*Minimum standards for holding assets*

Under the CCIV Act, the money and property of a CCIV may be held by the CCIV or another person, subject to any requirements prescribed by Regulations (see Division 5 of Part 8B.5).

Regulation 8B.5.50 imposes minimum standards that apply to any person, other than the CCIV, holding the money and property of the CCIV (an asset holder).

In particular, the asset holder must have adequate capacity and resources to hold the money and property of the CCIV. Adequate capacity and resources can include such considerations as appropriately skilled staff, relevant training made available to staff, and availability of resources (such as computers and programs).

In addition, in cases where the asset holder also performs other functions for the CCIV (such as investment management functions), that asset holder must have adequate arrangements in place to manage any conflicts of interest that may arise in undertaking those functions.

Regulation 8B.5.50 also requires the corporate director of the CCIV to monitor the asset holder’s compliance with the above minimum standards during the period for which they are engaged, review the person’s compliance every 13 months, and make the outcomes of that review available to ASIC at its request.

*Exception to trust requirements for assets held outside Australia*

Regulation 8B.5.55 creates an exception to the requirement for the CCIV’s money or property to be held on trust for the CCIV when it is held by another person (see section 1234H). The other person is not required to hold the CCIV’s money or property on trust if:

* the money or property is held outside of Australia in another jurisdiction;
* it is not reasonable for the money or property to be held on trust under the laws of that other jurisdiction; and
* there are adequate safeguards in place to protect the money or property given general law protections under a trust are not available – including from the insolvency of the other person.

*Exception to requirements for holding assets separately*

Subregulation 8B.5.60(1) creates an exception to the requirement established by the CCIV Act that the assets of a sub-fund of a CCIV must be held separately from any other property including assets of other sub-funds (see section 1234J). This exception applies to certain classes of assets being:

* Australian or foreign currency;
* rights to Australian or foreign currency that is held in a deposit-taking facility;
* securities; and
* derivatives.

This facilitates the use of omnibus accounts for these classes of assets. If an asset of a sub-fund is held together with other property (such as the assets of another sub-fund or the assets of another entity), then further requirements apply. In particular, under subregulation 8B.5.60(2):

* the asset must be held separately from any money or property of the asset holder;
* there must be adequate safeguards in place for the protection of the prescribed assets (including from the external administration of another sub-fund or other entity);
* the asset holder must do all things necessary to ensure that the fact that the asset is being held together with other assets does not restrict the CCIV’s capacity to exercise any rights in respect to that asset;
* the asset holder must do all things necessary to ensure that a reconciliation of the asset occurs each business day, or if it is ordinary and reasonable, as frequently as would occur in commercial practice for that asset;
* if a discrepancy arises in the above reconciliation (such as a shortfall), do all things necessary to rectify the discrepancy within 2 business days after its discovery; and
* the asset holder must keep adequate records of the asset and provide reasonable assistance to the corporate director (for example, to assist compliance with the rules for the allocation of assets under the CCIV Act).

Other classes of assets are not excepted from the requirement under the CCIV Act to hold the assets of a sub-fund separately.

Items 2 to 23 and 25 to 30 – Other consequential amendments to the Corporations Regulations

Item 2 amends existing requirements so that documents submitted to ASIC that relate to a sub‑fund of a CCIV include the sub-fund’s ARFN on the first page.

Items 3 to 6 amend the information that must accompany a report lodged under sections 319 or 320 of the Corporations Act to include details relevant to a sub-fund of a CCIV (such as its ARFN and the name of the corporate director). Section 319 of the Corporations Act (as modified by Division 4 of Part 8B.4) requires a CCIV to lodge annual reports for each of its sub-funds with ASIC. For a sub-fund to which ED securities are referable, the CCIV must also lodge half-year reports (section 320, as modified by Division 4 of Part 8B.4).

Items 7 to 10 amend the information that ASIC may require in an extract or return of company particulars to include details relevant to a CCIV (such as the names and ARFNs of its sub-funds, the name and ACN of its corporate director and certain details of shares referable to a sub-fund).

Items 11, 13, 14, 16, 18, 20 and 22 address the application of winding up provisions under Chapter 5 of the Corporations Act. The CCIV Act facilitates the winding up of each sub-fund of a CCIV by applying the winding up provisions in Chapter 5 as if the sub-fund were a company (see section 1237B). These items amend existing regulations to ensure that, where information is prescribed in relation to a winding up provision, and the subject of that provision is a sub‑fund of a CCIV as a result of the operation of section 1237B, the prescribed information includes the ARFN of that sub-fund.

Items 12, 13, 15, 17, 19, 21 and 23 also address the application of winding up provisions. These items insert notes to confirm that, where a regulation relates to a winding up provision, and the subject of that provision is a sub-fund of a CCIV as result of the operation of section 1237B, any reference to a company in that regulation is taken to be a reference to the sub‑fund.

Item 25 provides that the prescribed details of a passport fund include its ARFN (rather than ARSN) if the passport fund is a sub-fund of a retail CCIV.

Items 26 and 27 amend the information that may be searched for or obtained from the company register to include information specific to a CCIV, including its corporate director and the names and ARFNs of its sub‑funds. As a CCIV is a company, a person may search for or obtain any of the information prescribed in regulation 9.1.02(a) in relation to a CCIV. The unique structure of a CCIV means that additional information must be prescribed to ensure that CCIVs are subject to the same level of transparency as other types of companies.

Item 28 provides that certain terms related to a CCIV are identical to their abbreviated form for the purpose of determining whether a name is already in use by a corporation.

Items 29 and 30 clarify that the reference to ‘marketable security’ in clause 8302(a) of Schedule 8 includes a share referable to a sub-fund of a CCIV where that sub-fund is the entity subject to a scheme of arrangement under Part 5.1 of the Act.

Item 1 – Amendment to the *Australian Securities and Investments Commission Regulations 2001*

Item 1 amends the *ASIC Securities and Investments Commission Regulations 2001* (ASIC Regulations) to ensure that ASIC’s use of its power to request information about the compliance plan of a retail CCIV is subject to the same annual reporting requirements as its use of the equivalent power in relation to a registered scheme.

**Schedule 2 – Simple sub‑fund products**

Under the Corporations Act, financial products may only be sold to retail clients if they are accompanied by a Product Disclosure Statement (PDS). Chapter 7 of the Corporations Act establishes a comprehensive framework that regulates the form and content of PDS documents and imposes various obligations on the financial service providers who must prepare them. Certain simple financial products may be subject to a modified version of these requirements, including provision of a ‘simple PDS’.

Schedule 2 amends the Corporations Regulations to ensure that existing PDS requirements generally apply to CCIVs in the same way as they apply to managed investment schemes. In particular, the amendments ensure that the simple PDS regime under Part 7.9 of the Corporations Regulations is available for CCIVs in equivalent circumstances as for managed investment schemes.

Item 1 – New definition for simple sub-fund products

Item 1 inserts a new definition of a simple sub-fund product into the Corporations Regulations. This product is analogous to interests offered in relation to simple managed investment schemes.

A simple sub-fund product is a security in a retail CCIV, referable to a sub-fund of a CCIV, where at least 80 per cent of the assets of that sub-fund are liquid assets, meaning their full value is immediately accessible or can be realised within 10 days.

A security referable to a sub-fund of a CCIV that is a passport fund is not a simple sub-fund product, in the same way as for a registered scheme that is a passport fund.

Items 2 to 19 – New Subdivision 4.2D – Requirements for PDS in relation to simple sub-fund products

Item 19 modifies section 1013C of the Corporations Act (by inserting a new Part 5D into Schedule 10A of the Corporations Regulations) to set out the PDS requirements for a simple sub-fund product, consistent with the approach for establishing these requirements for simple managed investment schemes. It ensures that the PDS for a simple sub-fund product to which new Subdivision 4.2D applies must include the required statements and information and relate to only one sub-fund of the CCIV.

In addition, it ensures that, if a PDS for a simple sub-fund product applies, adopts or incorporates a matter (including because it is required by law to do so), the responsible person for the PDS must provide for that matter and make it available as necessary.

Item 10 inserts new Subdivision 4.2D into Division 4 of Part 7.9 of the Corporations Regulations which sets out the requirements for the preparation and provision of a PDS for a simple sub-fund product. In particular, under new regulations 7.9.11ZE and 7.9.11ZF, it provides for:

* streamlined form and content requirements as set out in new Schedule 10F;
* the incorporation of certain information and access to this information for persons relying on the PDS; and
* the inclusion of certain statements about the matters that have been incorporated into the PDS.

New Subdivision 4.2D does not apply to certain simple sub-fund products – such that the streamlined form and content requirements are not available for these products. In particular, under new regulation 7.9.11ZA, Subdivision 4.2D does not apply to simple sub-fund products that:

* are, or are intended to be, traded on a prescribed financial market (known as ‘quoted products’);
* form part of a stapled security (where its terms require it to be traded and transferred together with at least one other interest); or
* provide members, under the CCIV’s constitution, the capacity to direct all or part of the money corresponding to the amount of their investment in the relevant sub-fund to be invested into accessible investments, with any distributions to those members determined by reference to amounts received by the CCIV in relation to those accessible investments.

New regulation 7.9.11ZB, together with the amendments to existing 7.7.08A of the Corporations Regulations made by item 2, ensures that a PDS for a simple sub-fund product cannot be combined with a Financial Services Guide in a single document under section 942DA of the Corporations Act. Similarly, new regulation 7.9.11ZC ensures that supplementary PDS are not issued for simple sub-fund products. This is consistent with a PDS for a simple managed investment scheme. Under new regulation 7.9.11ZG, the responsible person for the PDS must retain a copy of the PDS for 7 years starting from the date on which the version was prepared. However, the modifications to existing regulations 7.9.15DB and 7.9.15DC made by items 14 and 16 ensure it does not need to be lodged with ASIC.

If a person requests a copy of a PDS for a simple sub-fund product, under new regulation 7.9.11H, it must be provided free of change within 8 business days, along with a copy of any matter that is applied, adopted or incorporated by the PDS.

Items 3 to 9, 11, 13 and 15 make consequential amendments to update references and headings in Chapter 7 of the Corporations Regulations to reflect the insertion of new Subdivision 4.2D for simple sub-fund products.

Item 12 makes a consequential amendment to existing regulation 7.9.15DA to ensure that, similar to a PDS for a simple managed investment scheme, certain other exceptions for the content requirements for other PDS documents is not available.

Item 18 ensures that the content requirements about fees and costs set out in Subdivision 4C.2 in other PDS documents do not apply to the PDS for a simple sub-fund product to which Subdivision 4.2D applies, as is the case for equivalent simple managed investment schemes.

Item 20 – New Schedule 10F – Form and content of PDS for simple sub-fund product

Item 20 inserts new Schedule 10F into the Corporations Regulations which prescribes the form and content requirements for a PDS which relates to a simple sub-fund product, as detailed below. These form and content requirements are consistent with those for simple managed investment schemed under Schedule 10E, adapted to the features of a CCIV.

Clause 1 prescribes formatting requirements with which a PDS issued in accordance with Schedule 10F must comply.

Clause 2 sets out the required format of headings and the table of contents in a PDS which relates to a simple sub-fund product.

Clause 3 prescribes what information must be provided about the corporate director of the CCIV. This includes a summary of the corporate director’s role in operating the CCIV and a summary of the investment manager for the sub-fund, if the investment manager is different from the corporate director.

Clause 4 requires a PDS to summarise how a CCIV, and the relevant sub-fund, work. This includes setting out in the PDS:

* a summary of the rights and interests that members of the sub-funds of the CCIV acquire by investing in the simple sub-fund product;
* if applicable, the minimum investment amount for the simple sub-fund product;
* information about the structure of the CCIV and the sub-fund;
* a general statement that the value of securities will vary as the market value of the assets of the sub‑fund rise or fall;
* information about how members of the sub-fund can increase or decrease their investment by acquiring or disposing of securities;
* a general statement that in some circumstances, such as when there is a freeze on redemptions, members of the sub fund may not be able to redeem shares or dispose of securities within the usual period upon request; and
* a description of the frequency of distributions and explain how distributions are calculated.

Clauses 5 and 6 require a PDS to summarise the potential benefits, and risks, of investing in the simple sub-fund product. When summarising the potential risks of the simple sub-fund product, the PDS must describe the significant risks of the particular simple sub-fund product.

Clause 7 requires a PDS to describe, in the form of a summary under section 5 of the PDS, the investment options offered by the CCIV, and how the simple sub-fund product compares to other investment options offered by the CCIV.

If a simple sub-fund product has not previously been offered to investors, and the CCIV does not offer a balanced investment option, section 5 of the PDS must include information about the investment option which the corporate director reasonably believes is the least volatile investment option.

If the CCIV offering the simple sub-fund product has a balanced investment option, certain information about this option must be given in section 5 of the PDS.

If the CCIV offering the simple sub-fund product does not have a balanced investment option, certain information about the investment option under which the CCIV has the most funds invested must be given in section 5 of the PDS (whether or not section 5 gives that information for any other investment option).

In all of the circumstances outlined above, section 5 must include:

* a description of the relevant investment option;
* a list of assets in which the option invests;
* a description of the return objective of the option;
* the minimum suggested time frame for holding the investment; and
* a description of the risk level of the option.

Clause 8 sets out what information must be provided in a PDS about the fees and costs associated with the simple sub-fund product. In addition to information about fees and costs, this clause requires the PDS to set out the Consumer Advisory Warning in clause 221 of Schedule 10 of the Corporations Regulations.

Clause 9 requires a PDS to summarise how sub-funds of a CCIV are taxed.

Clause 10 requires a PDS to include information outlining how to apply to invest in the simple sub-fund product, how to make a complaint about the product, and how the cooling-off period applies to the product.