



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 184

Superannuation: Delivery of product disclosure for investment strategies

Related instruments [CO 03/1097], [CO 06/636], [CO 07/386]

Chapter 7—Financial services and markets

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From 5 July 2007, this document may be referred to as Regulatory Guide 184 (RG 184) or Policy Statement 184 (PS 184). Paragraphs in this document may be referred to by their regulatory guide number (e.g. RG 184.1) or their policy statement number (e.g. PS 184.1).

What this guide is about

RG 184.1 This guide helps trustees of superannuation entities (trustees) to comply with the product disclosure requirements in s1012IA of the *Corporations Act 2001* (Corporations Act).

Note: The superannuation arrangements to which s1012IA and this policy may apply include products commonly known as:

- (a) superannuation master trusts;
- (b) employer-sponsored superannuation funds; and
- (c) industry superannuation funds.

RG 184.2 Section 1012IA applies to a trustee that offers choice of investment strategies to its members, where any of those strategies

include specific financial products (accessible financial products) that will be acquired under the member's choice of strategy. The trustee must give a member a product disclosure statement (PDS) about any accessible financial product included in an investment strategy *before* acquiring the product as part of implementing the strategy. We call these the 's1012IA requirements'.

Note 1: The obligation to give a PDS is subject to certain exceptions: see RG 184.18.

Note 2: Throughout this guide, references to a PDS or supplementary PDS include a short-form PDS or supplementary short-form PDS.

RG 184.3 The trustee must also comply with the general PDS requirements in Div 2 of Pt 7.9 of the Corporations Act to prepare and provide a 'superannuation entity's PDS'—i.e. its own PDS about investment in the superannuation entity, including information about all of the investment strategies offered to members by the trustee.

Note: Regulatory Guide 168 *Disclosure: Product Disclosure Statements and other disclosure obligations* (RG 168) outlines our expectations about compliance with the general PDS content requirements in Pt 7.9 of the Corporations Act, including the 'Good Disclosure Principles'.

RG 184.4 We recognise that having to comply with both the general PDS requirements and the s1012IA requirements raises some practical compliance issues for trustees. For this reason we have modified some of the relevant disclosure obligations in Pt 7.9 to provide additional options for providing information about accessible financial products to members (including options that allow the trustee to prepare the disclosure information about an accessible financial product). Two of the disclosure options (i.e. Option 1 and Option 3) allow trustees to include less information about accessible financial products in their superannuation entity's PDS, on the basis that information will be provided in a separate accessible product PDS. The other option (i.e. Option 2) allows the trustee to integrate information about the superannuation entity and the accessible financial products in one disclosure document. However, trustees do not have to comply with our class order relief; they may choose to comply with the law without modification.

Note: We call the 'accessible product PDS' the PDS about that accessible financial product (whether prepared by the issuer of that product or the trustee of the superannuation entity).

RG 184.5 This guide covers:

A our general approach to s1012IA and an overview of how we have modified the law to make it easier for trustees to comply

see RG 184.8–RG 184.48

- B** relief Option 1—a member is given an accessible product PDS prepared by the trustee (trustee’s accessible product PDS option)
see RG 184.49–RG 184.78
- C** relief Option 2—a member is given an integrated PDS prepared by the trustee that contains information both about any accessible financial products and the superannuation entity (trustee’s integrated PDS option)
see RG 184.79–RG 184.106
- D** relief Option 3—a member is given an accessible product PDS prepared by the product issuer (issuer’s accessible product PDS option)
see RG 184.107–RG 184.127
- E** relief to limit the need for disclosure about additional acquisitions of an accessible financial product

Note: This relief for additional acquisitions is independent of the disclosure relief given in Options 1, 2 and 3. A trustee may rely on this relief even where the trustee has not chosen to rely on the disclosure relief.

see RG 184.128–RG 184.147

- Schedule 1** examples of when and how s1012IA applies
see RG 184.148–RG 184.160
- Schedule 2** choosing a relief option
see RG 184.161–RG 184.169
- Schedule 3** preparing an integrated PDS
see RG 184.170–RG 184.187
- Schedule 4** the *Superannuation Industry (Supervision) Act 1993* (SIS Act) requirements
see RG 184.188–RG 184.193

RG 184.6 Section 1012IA was introduced by the *Financial Services Reform Act 2001* and has applied to providers of certain types of custodial arrangements, such as operators of investor-directed portfolio services, since they transitioned to the financial services reform regime. The application of s1012IA to superannuation entities was deferred to apply after 1 July 2007 and in any case no later than 1 July 2008.

Note: Section 1012IA will apply to all trustees no later than 1 July 2008. It may apply to you earlier. It will apply to a trustee from the time that the trustee prepares a new complete

PDS for the superannuation product (i.e. a superannuation entity PDS or an integrated PDS) where that PDS is required to be dated *after* 1 July 2007: see [CO 03/1097].

Generally, a PDS is required by s1013G to be dated on the date the PDS was prepared or its preparation was completed. Section 1012IA will not apply to a complete PDS dated on or before 1 July 2007, even if it is given to a person *after* 1 July 2007. It will also not apply to a supplementary PDS for a PDS dated on or before 1 July 2007, even if the supplementary PDS is prepared *after* 1 July 2007.

RG 184.7 This policy only deals with product disclosure under the Corporations Act for accessible financial products included in investment strategies offered to members by a trustee of a superannuation entity. It is not intended to provide guidance about how to comply with the obligations of trustees under the *Superannuation Industry (Supervision) Act 1993* (SIS Act) to make disclosure about investment strategies.

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Important note: The content of this guide is based on the law as at 7 June 2007. We do not anticipate any changes to the Corporations Act that will affect our policy. However, if there are relevant changes to the Corporations Act, we will consider revising our policy to take them into account. Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act applies to you. It is your responsibility to determine your obligations under the Corporations Act.

A Our general approach

Important note: To help you understand our policy, we have tried to use plain language (e.g. *you* not *trustee*). This means that not all technical terms used in the Corporations Act or in our class order are used in this guide (e.g. we have used *member* not *client*, *product issuer* not *regulated person*, *superannuation fund* not *custodial arrangement*, and *accessible financial product* not *particular financial product* or *a financial product of a particular kind*). For a definition of any term you do not understand, please see the 'Key terms' section in this policy.

What is this section about?

RG 184.8 This section of our policy includes:

- (a) a simple explanation of the product disclosure requirements that apply to you under the Corporations Act;
- (b) an overview of the practical compliance issues that arise from having to comply with both the general PDS requirements and the s1012IA requirements (see Table 1 at RG 184.23); and
- (c) our general policy response to these issues, including how we have modified the law to make it easier for you to comply with s1012IA.

RG 184.9 For a practical explanation of:

- (a) how s1012IA applies to an investment strategy, see Schedule 1;
- (b) how to choose which relief option to use, see Schedule 2;
- (c) how to prepare an integrated PDS, see Schedule 3; and
- (d) how the SIS Act applies, see Schedule 4.

Background

RG 184.10 We understand that it is common practice for trustees to offer a range of investment strategies to members of their superannuation funds. Members may select the strategy they want you to follow when investing their money. Selecting a strategy acts as a standing instruction to you by the member to follow that strategy until the member gives you a new instruction.

RG 184.11 Some investment strategies include particular financial products (e.g. a specified product such as XYZ Managed Fund) that

will be acquired by you if you are instructed by your member to follow that strategy. We call these products ‘accessible financial products’.

RG 184.12 Where you will acquire accessible financial products under a particular investment strategy, s1012IA requires you to give members enough information about those products to help them to make an informed assessment of the investment strategies offered by you.

Does s1012IA apply to me?

RG 184.13 If you are the trustee of a superannuation entity and you offer a choice of investment strategies that *include accessible financial products* to your members, you must comply with the s1012IA requirements as well as the general PDS requirements in Div 2 of Pt 7.9 of the Corporations Act (and the relevant SIS requirements: see Schedule 4).

Note 1: Section 1012IA applies only where a PDS would be required to be given if there were an equivalent direct acquisition of the accessible financial product. For example, if a PDS is not required to be given under s1012D(1) because the member has already received a PDS or the trustee reasonably believes that the member has already received a PDS, s1012IA does not create a new obligation to give a member the same PDS. There are some other exceptions from the obligation to give a PDS: see RG 184.18.

Note 2: Table 7 in Schedule 1 gives examples of when s1012IA will and will not apply.

RG 184.14 For s1012IA to apply two main elements must be present:

- (a) an *instruction* by a member to you to acquire an accessible financial product; and
- (b) an *acquisition* by you of the product on behalf of the member.

RG 184.15 There must be a connection between the ‘instruction’ from the member and the ‘acquisition’ by you of an accessible financial product. Whether you have been instructed to acquire an accessible financial product will depend on the surrounding circumstances, including the nature of the investment strategy made available by you. For example, if you offer *Cash* as an investment option and you specify that under that option you will invest only in a particular deposit fund, such as *OPQ Deposit Fund*, s1012IA will apply to *OPQ Deposit Fund* because it is an accessible financial product.

Note: See Example 5 in Schedule 2.

RG 184.16 If you offer a choice of investment strategies to your members that do not include accessible financial products, s1012IA will not apply to those strategies. For example, if you describe the investment options by investment styles (e.g. *Growth, Capital Stable, Balanced*) or asset class (e.g. *Fixed interest, Cash, Listed managed funds*) and you do not identify particular products that will be acquired under those strategies, s1012IA will not apply because there are no accessible financial products included in these investment strategies.

Note: See Schedule 1 for more examples of when and how s1012IA applies.

RG 184.17 If you reserve unfettered discretion to vary the amount invested in, or to replace, the accessible financial products included in an investment strategy without seeking new instructions from the member, s1012IA is unlikely to apply: see (b) in the definition of ‘custodial arrangement’ in s1012IA(1).

Are there any exceptions?

RG 184.18 Even where s1012IA applies on its face (i.e. because there is an *instruction* and *acquisition* of an *accessible financial product*), the resulting obligation to give a member a PDS is itself subject to some exceptions, particularly in s1012D. For example, you are not required to give a member a PDS for the accessible financial product under s1012IA if:

- (a) you know or believe on reasonable grounds that the member has already received an up-to-date PDS (see s1012D(1));
- (b) the member already holds a financial product of the same kind and you believe on reasonable grounds that the member has either received or knows that they have access to all the disclosure information required to be in an up-to-date PDS for that product because they already have a PDS for that product plus additional information provided under ongoing disclosure and/or periodic reporting requirements (see s1012D(2)); or
- (c) because of s1013F, no information would be required to be in the PDS for an accessible financial product acquired through a superannuation entity (see s1012D(2B)).

Note: See also [QFS 144] *Does a regulated person need to actively notify clients of the availability of information that would have been included in a Product Disclosure Statement in order to rely on s1012D(2)?*, June 2004.

What disclosure does the Corporations Act require?

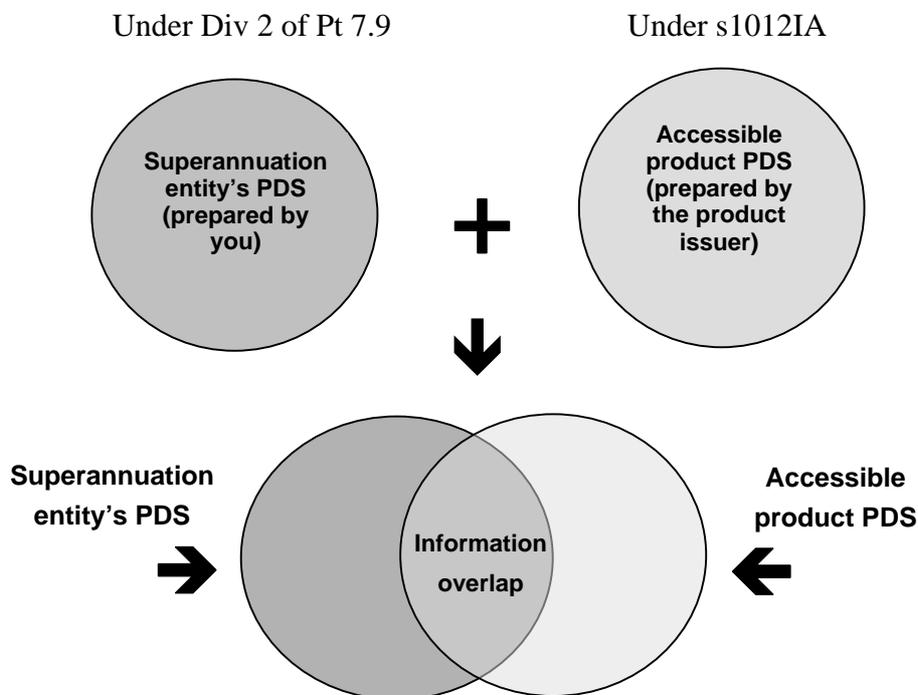
RG 184.19 Section 1012IA and reg 7.9.14A of the Corporations Regulations 2001 (Corporations Regulations) are designed to ensure that a member receives sufficient information about an accessible

financial product included in an investment strategy offered by the trustee. This information is required to be of an equivalent standard to that which the member would receive if they invested directly in that product (i.e. it must satisfy the test in s1013D—information that a person would reasonably require for the purpose of making a decision, as a retail client, whether to acquire the financial product).

RG 184.20 Under the law without modification, if the selected strategy includes an accessible financial product, you must give a member at least two separate disclosure documents (one prepared by you and one prepared by the issuer of the accessible financial product) even though some of the same information is likely to be included in both documents.

RG 184.21 You must prepare and provide a PDS about investment in the superannuation entity (i.e. about the superannuation fund—the ‘superannuation entity’s PDS’). You must also give a member a PDS for any accessible financial product that you will acquire at their request *before* you acquire that product: s1012IA(2). This ‘accessible product PDS’ must be prepared by the issuer of the product (see s1013A).

Figure 1: What disclosure documents are required under the law without modification?



What disclosure does the SIS Act require?

RG 184.22 In addition to these disclosure requirements, you must also satisfy the disclosure obligations that apply under the SIS Act and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations) (together the ‘SIS requirements’) to investment strategies offered by you to your members (e.g. you must satisfy the disclosure content and timing requirements in SIS reg 4.02). We understand that typically, trustees aim to comply with both the disclosure obligations in the Corporations Act and the SIS requirements in the same disclosure document (i.e. the superannuation entity’s PDS).

Note: For an explanation of the SIS requirements, see Schedule 4.

What compliance issues arise?

RG 184.23 There is likely to be an overlap between some of the information in your superannuation entity’s PDS and in the accessible product PDS prepared by the product issuer. Under s1012IA, you must give both disclosure documents to a member before you acquire an accessible financial product as instructed by the member. This means that a member will be given similar disclosure in two separate documents, which may be confusing. This duplication of information is not the only compliance issue. The table below summarises what we believe are the main compliance issues.

Table 1: Practical compliance issues that arise from complying with the general PDS requirements and s1012IA

Requirements of the law without modification	Issue
The same PDS content test applies both to your superannuation entity’s PDS and to the accessible product PDS, which means that some of the same information about accessible financial products will be included in both documents.	→ Overlap/duplication of information
You must give a member a copy of the accessible product PDS that has been prepared by the product issuer. You do not have the option to prepare this PDS and tailor the information about accessible financial products to the needs of your members as you see fit.	→ No opportunity to tailor information

Requirements of the law without modification	Issue
<p>You must give a member a PDS before each acquisition of an accessible financial product, which means that every time additional money is invested in the product at the member's request, the obligation to give a member a PDS is triggered.</p>	<p>→ Oversupply of information</p>
<p>The law does not provide a simple mechanism for you to provide updated disclosure information about an accessible financial product to a member, which means that the member may not always have accurate information about the products that you have been instructed to acquire.</p>	<p>→ Updating information</p>

Our policy

Three options for product disclosure about accessible financial products

RG 184.24 We have modified the law to give you three additional options for providing product disclosure information about accessible financial products. Options 1 and 3 limit the information about an accessible financial product that you must include in your superannuation entity's PDS, provided that you also give a member an accessible product PDS for each product included in their selected investment strategy. Option 2 allows you to prepare and include product disclosure information about an accessible financial product in your superannuation entity's PDS (i.e. in an 'integrated PDS'). Options 1 and 2 also modify the law to allow you (rather than the product issuer) to prepare the product disclosure information about an accessible financial product. You may then give this information to members in a separate accessible product PDS (under Option 1) or as part of an integrated PDS that you prepare (under Option 2). The options we have provided allow you to 'tailor' the content of the product disclosure information about an accessible financial product so that it addresses the information needs of your members.

Note: Although the integrated PDS or an accessible product PDS must satisfy the general PDS requirements in Pt 7.9 of the Corporations Act; s1013F allows you to decide what information to include in the PDS taking into account that the accessible financial product is acquired through a superannuation fund. Section 1013F allows information to be omitted from a PDS if it would not be reasonable for a retail client

considering whether to acquire the product to expect to find the information in the PDS (e.g. as they acquire through a superannuation fund rather than directly).

RG 184.25 You do not have to take up our disclosure relief. You may decide to comply with the law without modification. If so, you must comply fully with the general PDS requirements in Div 2 of Pt 7.9 (as they relate to your superannuation entity's PDS), as well as the s1012IA requirements (which will require you to 'pass on' the product issuer's PDS for any accessible financial products).

Note: If circumstances allow, trustees may be able to rely on the exceptions in s1012D: see RG 184.18.

Table 2: Forms of relief

Type of relief	Disclosure documents required	ASIC Class Order	Reference
Option 1— Trustee's accessible product PDS	Superannuation entity's PDS (prepared by you) <i>plus</i> an accessible product PDS (also prepared by you)	[CO 06/636]	See Section B of this guide
Option 2— Trustee's integrated PDS	Integrated PDS that includes information about accessible financial products (prepared by you)	[CO 06/636]	See Section C of this guide
Option 3— Issuer's accessible product PDS	Superannuation entity's PDS (prepared by you) <i>plus</i> an accessible product PDS (prepared by the product issuer)	[CO 06/636]	See Section D of this guide

Option 1—Trustee's accessible product PDS

RG 184.26 Under Option 1 you are responsible for preparing and delivering *all* the required disclosure information to members (i.e. your superannuation entity's PDS and a PDS for an accessible financial product prepared by you). This option is explained in Section B.

Note: Option 1 might suit you if you offer a large choice of investment strategies—some that include accessible financial products and some that do not. One reason to choose this option is that it provides flexibility if you want to change the accessible financial products that you offer from time to time. This option also helps in only giving members accessible product PDSs for the accessible financial products that form part of their preferred investment strategy (i.e. they do not need to receive irrelevant information).

Option 2—Trustee’s integrated PDS

RG 184.27 Under Option 2 you are responsible for preparing and delivering *all* the required disclosure information to members in one PDS. This integrated PDS must include, for example, information about:

- (a) you as the superannuation entity;
- (b) all the investment strategies you offer; and
- (c) product disclosure information about any accessible financial products included in your strategies.

This option is explained in Section C.

Note: Option 2 might suit you if you offer a limited choice of investment strategies and those strategies do not include many accessible financial products. One reason to choose this option is that it allows you to have control over the look and content of all the disclosure information given to your members.

Option 3—Issuer’s accessible product PDS

RG 184.28 Under Option 3 you are responsible for preparing *some* of the required disclosure information (i.e. your superannuation entity’s PDS), and delivering *all* the required disclosure information (i.e. your superannuation entity’s PDS and the PDS for an accessible financial product prepared by the product issuer). This option is explained in Section D.

Note: Option 3 might suit you if you offer a wide choice of investment strategies and those strategies include a range of accessible financial products, particularly from different product issuers. One reason to choose this option is that you can offer a range of products without the burden of preparing the disclosure information yourself. This option also helps in only giving members accessible product PDSs for the accessible financial products that form part of their preferred investment strategy (i.e. they do not need to receive irrelevant information).

Choosing an option

RG 184.29 You cannot use a different disclosure option for different accessible financial products included in the same investment strategy. You can use Option 1 for some investment strategies and Option 3 for other strategies. However, if you choose Option 2, you must include disclosure about all your investment strategies in the integrated PDS. You cannot ‘mix-n-match’ between Option 2 and the other options.

Note: See Schedule 2 for examples of how each option applies to different investment strategies.

Delivering the PDS

Who may deliver the PDS?

RG 184.30 Under s1012IA (including s1012IA as modified by our relief), *you* are responsible for giving the required PDS/s to the member. You may arrange for a third party (e.g. employer, adviser) to actually deliver the PDS to a member. However, you remain responsible for delivery of the PDS even if you have arranged for someone else to deliver the PDS. One option for monitoring delivery may be to have an arrangement with the third party that includes warranties about delivery from the third party, and to combine this with actual checks from time to time that PDSs are being delivered. This combination should give you comfort that the necessary disclosure documents are being delivered by the third party on your behalf.

Note: You may also use a third party to deliver ongoing disclosure to members, for example, any additional disclosure required under s1017CA: see [CO 06/636] and RG 184.135–RG 184.141.

How can a PDS be delivered?

RG 184.31 The ordinary requirements about delivery of PDSs (i.e. s1015C of the Corporations Act) apply to our relief, including options to provide the PDS in electronic form (see s1015C(1)(b) and reg 7.9.02B). The available electronic delivery options include:

- (a) sending the PDS in electronic form to an electronic address nominated by a member (s1015C); and
- (b) making the statement available in a way agreed to by the member (for example, a ‘member-only’ electronic facility such as a secure area of your website) (reg 7.9.02A).

Note: See also RG 184.42.

RG 184.32 Where a member has agreed to receive a PDS in electronic form, you might choose to give a member different PDSs in ‘split’ form (i.e. some in electronic form and some in hard copy).

RG 184.33 The combination of flexibility about *in what form* and *how* a PDS may be delivered we believe will allow you to put in place arrangements to provide upfront and any ongoing disclosure in compliance with s1012IA to members in an efficient and timely manner. This should minimise situations where an instruction from a member cannot be acted on until further disclosure is made to the member in compliance with s1012IA.

When must a PDS be delivered?

RG 184.34 Under s1012IA(2), a PDS must be given to a member *before* you acquire an accessible financial product as instructed by that member. The SIS requirements include a similar timing obligation (though it is stricter than s1012IA). Under SIS reg 4.02 you must provide disclosure about all of the investment strategies you offer before a member directs you to follow a particular strategy.

Note: See RG 184.44–RG 184.48 for further discussion of when disclosure documents should be delivered.

Relief for additional acquisitions

RG 184.35 Your obligation to give a member a PDS before each acquisition of an accessible financial product is an ongoing obligation. If you acquire the same product more than once at the request of a member, the law (without modification) requires you to give the member a PDS for each additional acquisition. We consider that every occasion money is invested in a particular financial product (after the initial investment) will be an additional acquisition of that product. For example, in the case of a managed investment scheme each additional interest is considered to be a separate product. A member's selection of an investment strategy acts as a standing instruction to you to make additional acquisitions on their behalf.

RG 184.36 Our class order relief modifies the law to allow you generally to rely on product information that you have previously provided to the member (e.g. at the time of the initial acquisition). However, where you continue to make additional acquisitions for a member, this relief is subject to a condition requiring you to update PDS information if there has been a material adverse change to a matter or a significant event adversely affecting a matter required to be in the PDS immediately before the change or event occurs unless the member already has the relevant information: see s1017CA(1)(b) in [CO 06/636]. This relief for additional acquisitions is explained in Section E.

Note: This relief is available independently from the disclosure relief described in Sections B, C and D of this guide.

How does this policy apply to the default investment strategy?

RG 184.37 Under SIS reg 4.02(3), if you offer a range of investment strategies, generally you must have a default investment strategy that you will follow if a member fails to select an investment strategy (unless it is a condition of membership of the superannuation fund that

a member *must* choose a strategy). As the default strategy applies by default, rather than at the direction of the member, there is no ‘instruction’ given to you by a member. In this situation, s1012IA will not apply to the default strategy. However, you still have to make disclosure about the default strategy that will satisfy the general PDS requirements. Therefore, this guide does not change the content requirements for the default investment strategy in your superannuation entity’s PDS.

Underlying principles

RG 184.38 Our policy attempts to address the practical compliance issues identified in Table 1. Our overall aim is to:

- (a) ensure that members of superannuation funds are given the same standard and quality of disclosure about accessible financial products that will be acquired under their selected investment strategy, as they would be given if they were investing directly in those products as a retail client;

Note: This does not mean that the member must be given exactly the same information. Section 1013F allows you to ‘tailor’ the PDS content taking into account that the product is accessed through a superannuation fund and the manner of disclosure.

- (b) minimise the overlap and oversupply of information;
- (c) facilitate compliance that takes into account current industry practices;
- (d) give flexibility about how you may deliver information to members; and
- (e) be consistent with the requirements dealing with member investment choice under the SIS requirements, which we do not have power to modify or grant an exemption from.

RG 184.39 This policy allows you to continue providing information about available investment strategies (including accessible financial products) to members in a way that is consistent with what we understand to be existing industry practices. The policy also ensures that you give members enough information to help them to make an informed assessment of the investment strategies offered by you.

Explanation

How do you comply with our relief?

RG 184.40 The following table sets out the steps you might want to go through when deciding how to comply with the law as modified by our relief.

Table 3: How to comply with the law as modified by our relief

<p>Step 1</p>	<p>Identify which investment strategies involve the acquisition of accessible financial products</p> <p>Note: Schedule 1 gives examples of how s1012IA will apply to different investment strategies.</p>
<p>Step 2</p>	<p>Prepare product disclosure information and/or obtain a PDS for any accessible financial products identified in Step 1</p> <p>Note 1: Under Option 1 (trustee’s accessible product PDS) and Option 2 (trustee’s integrated PDS), you will prepare the product disclosure information about any accessible financial products. Schedule 3 describes a process you might follow to do this.</p> <p>Note 2: Under Option 3 (issuer’s accessible product PDS), the product issuer will prepare the product disclosure information about any accessible financial products.</p>
<p>Step 3</p>	<p>Give a member a copy of the integrated PDS or the relevant accessible product PDS before acting on an instruction by that member to follow an investment strategy that involves the acquisition of that product—the PDS may be given at the request of the member or, if the member does not request the PDS, you must make arrangements to give to the member the relevant PDS (if any) before implementing the member’s selected strategy</p> <p>Note: See RG 184.41–RG 184.48.</p>
<p>Step 4—only if you acquire the same product more than once for a member</p>	<p>If you acquire an accessible financial product for the same member more than once (e.g. by following that member’s selected investment strategy) and you become aware that there has been a material adverse change or a significant event adversely affecting a matter required to be in the PDS immediately before the change or event occurs, you must arrange to give to that member updated information and a chance to select a different investment strategy (see Section E of this guide)</p>

Delivering the PDS

Who must be given a PDS?

RG 184.41 Section 1015C(1)(a) requires that a PDS be given to a 'person or the person's agent'. The restriction in s1015C(3), about the capacity in which a person's agent may act applies. The PDS must be given to a person or their agent:

- (a) personally; or
- (b) by being sent to an address (including an electronic address) or fax number nominated by the person or their agent.

Note: In practice, we understand members of a superannuation fund are typically asked to nominate an address for the delivery of PDSs and other disclosure information. This might occur on joining the fund or on selecting an investment strategy or at some other time (e.g. such as a 'check-up' on preferred addresses).

In what form can a PDS be given?

RG 184.42 Section 1015C(1)(b) allows a PDS to be given in printed or electronic form. For example, a PDS might be given to a member as a file on a CD or DVD, or included as an electronic attachment to an email sent to a nominated electronic mail address. In addition, reg 7.9.02A permits a PDS to be delivered by making it available in any way that:

- (a) is agreed to by the member or their agent; and
- (b) allows the trustee to be satisfied, on reasonable grounds, that the member or their agent has received the PDS.

Agreements with members on other forms of delivery opens up flexibility in the way PDSs may be delivered (e.g. such as use of hyperlinks or electronic on-line member facilities).

RG 184.43 Where our relief will mean that you will give a member more than one PDS, you may provide each PDS either in electronic or hard copy form. For example, under Option 1, you might choose to provide your superannuation entity's PDS in hard copy and any accessible product PDS in electronic form (e.g. where a member has nominated an electronic address).

When must a PDS be given?

RG 184.44 As a general rule, an accessible product PDS or information about an accessible product contained in an integrated PDS must be given to a member *before* you act on an instruction from the member to acquire that accessible financial product (see s1012IA(2)).

RG 184.45 There is a key exception to the general rule, namely where the acquisition of the accessible financial product is ‘time critical’. The time critical exception applies where a member gives an instruction to the trustee to acquire an accessible financial product immediately or by a specified time (see s1012G as modified by s1012IA(4)). In these circumstances, the trustee may acquire the accessible financial product before the accessible product PDS for that product or, where relevant, the integrated PDS is given to the member. In this situation, the PDS must be given as soon as practicable after the product is acquired but not later than the fifth day after the day on which the product was acquired.

RG 184.46 We understand that trustees are not always required to deliver the superannuation entity’s PDS to a person before the person becomes a member of the superannuation fund. In some circumstances, the superannuation entity’s PDS can be given to a person after the person joins the superannuation fund, for example, if the person is a standard employer-sponsored member (see s1012F).

Note: Section 1012F allows the superannuation entity’s PDS to be given to a member up to 3 months after the member acquires the superannuation product (i.e. joins the superannuation fund).

RG 184.47 Trustees may develop different practices for delivering disclosure about accessible financial products to applicants or members of the superannuation fund before the accessible products are acquired, depending on when they are required to deliver the superannuation entity’s PDS. These may include:

- (a) providing information about the accessible financial product *before* a person becomes a member of the superannuation fund in an accessible product PDS or in an integrated PDS; or
- (b) providing information about the accessible financial product *after* a person becomes a member of the superannuation fund in an accessible product PDS (where an integrated PDS is not used) or in an integrated PDS (unless a current integrated PDS has already been provided to the member).

Note: How you deal with any money contributed on the member’s behalf until you receive the member’s instruction (if any) will depend on your fund rules. Typically we understand that the money would be invested in your default investment strategy.

RG 184.48 Whatever practices a trustee may adopt for the delivery of product disclosure, the trustee will need to put in place procedures for delivery of product disclosure about accessible financial products that will mean that members are given the PDS *before* an interest in the accessible financial product is acquired (subject to application of the time critical exception).

B Option 1—Trustee’s accessible product PDS

Our policy

How does Option 1 work?

RG 184.49 Under this option, you are responsible for preparing and delivering *all* of the product disclosure information about accessible financial products to your members.

RG 184.50 There are two aspects to the relief we give under this option. There is both relief:

- (a) to limit the information that you must include in your superannuation entity’s PDS, on the basis that you will be giving members more information about an accessible financial product in the accessible product PDS; and

Note: This relief also applies to Option 3; but does not apply to Option 2.

- (b) to allow you to prepare the accessible product PDS, even though you are not the product issuer, and to tailor the information in the PDS to better suit your members.

Note: Option 2 also allows you to prepare the disclosure information about an accessible financial product (i.e. in an integrated PDS). Schedule 3 describes a process you might follow when preparing an integrated PDS. This process might also be used under this option to prepare the accessible product PDS.

Table 4: Overview of Option 1

Who must prepare each PDS?	<p>You must prepare your superannuation entity’s PDS</p> <p>You must prepare the accessible product PDS</p>
Is there a minimum PDS content requirement?	<p>Yes. Your superannuation entity’s PDS must meet the general PDS requirements as modified under this relief to minimise duplication of information about accessible financial products (see RG 184.54)</p> <p>The accessible product PDS prepared by you must satisfy the general PDS requirements as though the product will be offered directly to a retail client</p> <p>Note: Section 1013F allows you to tailor the content of the accessible product PDS: see RG 184.55.</p>

Who must give each PDS to the member?	<p>You are responsible for giving a member your superannuation entity's PDS</p> <p>If a member requests an accessible product PDS, you are also responsible for giving that PDS to the member</p> <p>Note: Before acting on a member's instruction to acquire an accessible financial product, you must give the member the relevant accessible product PDS. You may be satisfied that the member has received the relevant accessible product PDS if you have an appropriate arrangement in place with a third party to deliver the PDS on your behalf.</p>
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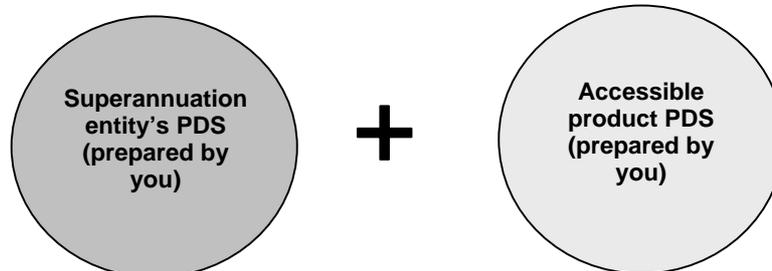
What disclosure documents are required?

RG 184.51 Under this option you will give a member at least two disclosure documents prepared by you—your superannuation entity's PDS *plus* one or more accessible product PDSs. This means that a member may be given two or more disclosure documents at *different* times (i.e. your superannuation entity's PDS and, later, on request, one or more accessible product PDSs).

Figure 2: What disclosure documents are required?

Under Div 2 of Pt 7.9

Under s1012IA



RG 184.52 You may choose to prepare a separate PDS for each accessible financial product or a PDS that covers several products that are available as part of the same investment strategy. This approach means that you do not have to provide members with disclosure about investment strategies that do not interest them.

RG 184.53 You must give a copy of your accessible product PDS free of charge to anyone who asks for it. If a member gives you an instruction to follow a particular investment strategy and they have not requested the relevant accessible product PDS, you must give them the relevant PDS before you acquire the product on their behalf.

Note: As part of compliance with the general PDS requirements, we think you should advise members that there may be some time gap between them giving you an instruction to acquire an accessible financial product and you acquiring the product in

response to their instruction if you are required to give additional disclosure before acquiring the product.

Content of the superannuation entity's PDS

RG 184.54 Our relief allows you to modify your superannuation entity's PDS so that it does not include all the information about accessible financial products that would be required under the general PDS requirements: see s1013FB(4)(a) in [CO 06/636]. Under this relief, your superannuation entity's PDS must include at a minimum:

- (a) the information that a person would reasonably require as a retail client to:
 - (i) identify what accessible financial products (if any) are included in each investment strategy;
 - (ii) understand the investment strategy under which the accessible financial products may be acquired;
 - (iii) work out whether to ask for further information about an accessible financial product; and
- (b) a statement that you will give to a person, on request, and free of charge, a PDS for each accessible financial product (i.e. under this option, the accessible product PDS prepared by you; under Option 3, the issuer's accessible product PDS): see s1013FB(3)(b) in [CO 06/636].

Note 1: Our relief does not affect your obligation to comply with s1013C. You will need to be satisfied that both your superannuation entity's PDS and any accessible product PDSs prepared by you comply with s1013C.

Note 2: Our relief does not affect your obligation to comply with the SIS requirements..

RG 184.55 Both your superannuation entity's PDS and the accessible product PDS must satisfy the general PDS requirements in Pt 7.9 of the Corporations Act (as modified by our relief), however, s1013F allows you to 'tailor' the PDS content taking into account the product is acquired through a superannuation fund, rather than directly as a retail client. As part of compliance with the general PDS requirements, we think you should consider whether your superannuation entity's PDS needs to explain any differences there may be between direct acquisition of accessible financial products and acquisition of accessible financial products through the superannuation fund.

Content of the accessible product PDS

Standard of disclosure

RG 184.56 You must prepare the accessible product PDS *as if you were the issuer of the accessible financial product*. You will be responsible for the disclosure information about the accessible financial product in the accessible product PDS because you will be considered to be the issuer of the product under s1013A. As a general rule, the accessible product PDS must provide the same standard and level of information as is required in a PDS for a product where a retail client would make a direct investment.

RG 184.57 Although the accessible product PDS must satisfy the general PDS requirements in Pt 7.9 of the Corporations Act (as modified by our relief), s1013F allows you to ‘tailor’ the PDS content taking into account the product is accessed through a superannuation fund with its own PDS. You might decide to modify or exclude information that would be relevant to a retail client acquiring the accessible financial product directly, because the information is not relevant to a member of a superannuation fund.

RG 184.58 All of the PDS requirements in Pt 7.9 will apply to the accessible product PDS, including the ‘reasonable steps’ defence in s1021E(4) of the Corporations Act. However, we think that you will only be able to rely on this defence where you have made ‘reasonable inquiries’ to ensure that information about the accessible financial products meets the PDS content requirements in s1013C. If you have an arrangement in place with the product issuer as described in RG 184.60–RG 184.61, we think that you will have made ‘reasonable inquiries’.

Obtaining information about the accessible financial product

RG 184.59 You will be considered as the responsible person for the accessible financial product under s1013A. You will be required to include information to the extent that the information is *actually known* to you (see s1013C(2)). Where you are preparing an accessible product PDS for the first time, we consider that you will, at a minimum, have actual knowledge of all of the information included in the product issuer’s current PDS for the accessible financial product (if there is one) as this is consistent with good practice (as described in RG 184.60 below).

RG 184.60 To prepare an accessible product PDS for the first time, we think it would be good practice for you to:

- (a) obtain a copy of the product issuer’s current PDS for that product (i.e. a PDS for which there is a current ‘in use’ notice under s1015D). If the product issuer has not prepared a PDS, you would

- obtain whatever product disclosure information is publicly available (e.g. there may be an information memorandum);
- (b) enter into an arrangement with the product issuer about the currency of the product disclosure information; and
 - (c) check that you have no reason to believe that the product disclosure information obtained under (a) or (b) is not up-to-date.

Where you have followed this procedure, we think you will have done all that can be expected as a minimum to prepare the content of an accessible product PDS.

RG 184.61 You will also need to have procedures in place to ensure that your accessible product PDSs are up-to-date on an ongoing basis. Again, we think it would be good practice for you to have arrangements in place with the product issuer of an accessible financial product that gives you confidence that you will be promptly advised of any material adverse changes or significant events that adversely affects a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs. These arrangements should include being provided copies of any supplementary PDSs or new PDSs prepared by the product issuer for the accessible financial product. The precise terms of any arrangement with the product issuer will be subject to commercial negotiation between you and the product issuer. We have deliberately not prescribed the terms of these arrangements to allow you this flexibility.

Prescribed PDS content—fees and costs

RG 184.62 The enhanced fee disclosure regulations (Div 4C of the Corporations Regulations) apply to:

- (a) the fees and costs charged by you relating to membership of your superannuation fund (i.e. the superannuation product); and
- (b) the fees and costs (if any) separately charged by the issuer of the accessible financial product to the extent that these fees and costs will be payable by a member of a superannuation fund (i.e. if the product is a managed investment product).

Note: See regs 7.9.16J to 7.9.16O of the Corporations Regulations.

RG 184.63 The relief given from s1013D under s1013FB(4)(a) in [CO 06/636] means that your superannuation entity's PDS does not have to include the fees and costs template and related additional information for the accessible financial products—because this information will be in the relevant accessible product PDS.

Note: In this option, the superannuation entity's PDS and the accessible product PDS are 'stand alone' disclosure documents. The PDS content requirements (as modified by our relief) separately apply to each PDS.

RG 184.64 Because fees and costs information will be in separate documents, to minimise confusion, your superannuation entity's PDS needs to make it clear that to understand all of the fees payable by a member who selects a particular strategy, the member must look at both your superannuation entity's PDS and the relevant accessible product PDS.

Note: Additional guidance is provided in Regulatory Guide 97 *Enhanced fee disclosure regulations: Questions and answers* (RG 97): see question A5.

Underlying principles

RG 184.65 This option removes unnecessary duplication between the disclosure you are required to make in your superannuation entity's PDS under the general PDS requirements (e.g. s1013D and 1013E) and the disclosure required in the accessible product PDS (which you must deliver to a member under s1012IA). It gives you more flexibility in deciding the way to deliver PDS information about accessible financial products to your members. It still ensures, however, that members receive enough information to help them to make an informed assessment of the investment strategies offered by you.

RG 184.66 The expected benefits of this approach are that:

- (a) you can tailor information included in the accessible product PDS to better suit the needs of your members;
- (b) information that is not relevant to indirect investors (such as your members) can be excluded, making your accessible product PDS more concise than the one prepared by the product issuer for the same product; and
- (c) you can choose to make disclosure about individual accessible financial products in separate PDSs available on request, so that members need only receive information about products included in the investment strategies that interest them.

Explanation

Content of the superannuation entity's PDS

RG 184.67 While our relief modifies the information you need to include in your superannuation entity's PDS about accessible financial products, you must still provide sufficient information about the available investment strategies under which the accessible financial

products may be acquired. This information needs to be in your superannuation entity's PDS because it is relevant to the member's decision whether to invest in the superannuation fund.

Note: Our relief does not affect your obligation under the SIS requirements, including SIS reg 4.02, to provide members with specific disclosure about all the available investment strategies, including the default investment strategy.

RG 184.68 Providing sufficient information about the available investment strategies means you need to include enough general information to enable a member to understand the key features of the available investment strategies (including the risks and benefits) and to decide what strategy or strategies they are interested in.

Note: Your superannuation entity's PDS will need to include full disclosure about investment strategies with no accessible financial products and about the default investment strategy.

Content of the accessible product PDS

More than one accessible financial product

RG 184.69 Under this option you have the flexibility to prepare a separate accessible product PDS for each accessible financial product or to include more than one accessible financial product in an accessible product PDS. You might choose to include information about all of the accessible financial products included in the same investment strategy in the same accessible product PDS.

Standard of disclosure

RG 184.70 The standard of disclosure that you must meet for the accessible product PDS is the same as the standard of disclosure that the issuer of an accessible financial product must meet in a PDS for that product. Therefore, this option is expected to result in an equivalent level of disclosure about an accessible financial product as would be provided under s1012IA without any modification.

Tailoring information

RG 184.71 In deciding what information to include in the accessible product PDS, you should remember that the member will acquire the financial product through the superannuation fund, and not directly. Depending on the particular circumstances, information included in a PDS provided to a retail client who may acquire the product directly may not be relevant to members of a superannuation fund who will acquire the product indirectly.

RG 184.72 Section 1013F enables you to tailor information about the accessible financial product to the needs of your members. For example, you might decide to omit information about the accessible financial product that is not relevant to members who have an interest in the product via the superannuation entity (e.g. dispute resolution, voting rights, cooling-off periods) or include information that is of greater relevance to members of a superannuation fund (e.g. investment policy and returns).

Prescribed PDS content—fees and costs

RG 184.73 Section 1013FB(4)(a) in [CO 06/636] gives relief to limit the information that must be in your superannuation entity's PDS, where that information is required also to be in the accessible product PDS. Our relief aims to reduce repetition and minimise duplication across the required PDSs. You can comply with the fees and costs disclosure requirements by including the fees and costs template and related additional information for:

- (a) the superannuation fund in your superannuation entity's PDS; and
- (b) the accessible financial product in the relevant accessible product PDS.

RG 184.74 Where additional fees and costs are payable if an accessible financial product is acquired, your superannuation entity's PDS needs to make it clear to members that to understand all of the fees and costs that might be payable under a particular investment strategy, the member must look at both the superannuation entity's PDS and the relevant accessible product's PDS. Where product-specific fees are payable, your superannuation entity's PDS should include specific cross-references to the relevant fees and costs template in the accessible product PDS.

Note: Additional guidance on disclosure of fees and costs is provided in RG 97: see question A5.

What disclosure documents must be given to a member?

RG 184.75 By including the requirement that an accessible product PDS be given to a member 'on request', our relief limits the number of disclosure documents that you must provide to a member as it allows you to give members only those disclosure documents that are relevant to the accessible financial products included in their preferred investment strategy, rather than giving them information about all the available options (including a PDS for every accessible financial product included in any investment strategy).

RG 184.76 In practice, we expect that you will give most members several disclosure documents at different times. Initially, all members will be given your superannuation entity's PDS and, at a later time (but before you acquire any accessible financial products as instructed by a member), a copy of the relevant PDS for each of the accessible financial products included in the selected investment strategy.

Note: You may include more than one accessible financial product in an accessible product PDS: see RG 184.69.

RG 184.77 Members will have the opportunity to ask for more information about investment strategies that include accessible financial products *before* they instruct you to follow such a strategy. However, if they do not ask for this information, you must be satisfied that the member has been given all the relevant product disclosure information *before* implementing the selected investment strategy and acquiring any accessible financial products for a member.

RG 184.78 The mechanisms for delivering the PDS under this option are explained at para RG 184.30–RG 184.34 and RG 184.41–RG 184.48.

C Option 2—Trustee’s integrated PDS

Our policy

How does Option 2 work?

RG 184.79 Under this option, you are responsible for preparing *and* delivering *all* of the product disclosure information about accessible financial products to your members. This option allows you to prepare the product disclosure information about an accessible financial product, even though you are not the product issuer, and tailor the information to suit your members.

RG 184.80 Under this option, you must include the product disclosure information about an accessible financial product and the information required to be in your superannuation entity’s PDS in the same PDS (integrated PDS): see 1013FB(5) in [CO 06/636]. We expect that your integrated PDS will work as one coherent document containing information about the superannuation product and any accessible financial products included in an investment strategy. Your integrated PDS may be in the form of a multi-part PDS (see s1013L).

Note: Schedule 3 describes a process you might follow when preparing your integrated PDS.

RG 184.81 Your integrated PDS must comply with the general PDS requirements. When an integrated PDS is used we think there is one PDS for the purposes of the notice to us under s1015D(2) that a PDS is ‘in use’.

Table 5: Overview of Option 2

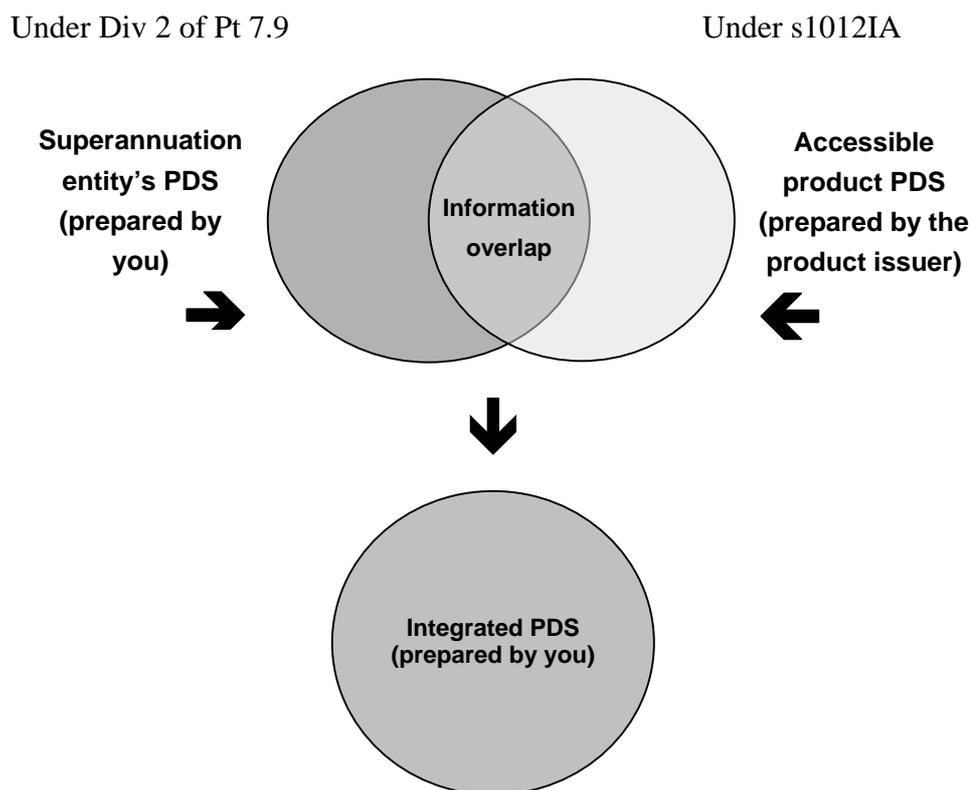
Who must prepare the PDS?	You must prepare the integrated PDS
Is there a minimum PDS content requirement?	<p>Yes. Your integrated PDS must meet the general PDS requirements for both the superannuation product and the accessible financial products</p> <p>The information about accessible financial products prepared by you and included in your integrated PDS must satisfy the general PDS requirements as though the product will be offered directly to a retail client</p> <p>Note: Section 1013F allows you to tailor the information about accessible financial products: see RG 184.57.</p>

Who must give the PDS to the member?	<p>You are responsible for giving a member your integrated PDS</p> <p>Note: Before acting on a member’s instruction to acquire an accessible financial product, you must give the member your integrated PDS. You may be satisfied that the member has received the integrated PDS if you have an appropriate arrangement in place with a third party to deliver the PDS on your behalf.</p>
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What disclosure documents are required?

RG 184.82 Under this option you will give a member at least one disclosure document prepared by you—your integrated PDS. If you choose to prepare your integrated PDS in more than one part, you must give a member all the parts of your integrated PDS *at the same time*.

Figure 3: What disclosure documents are required?



RG 184.83 Because your integrated PDS will be the sole source of information about your investment strategies, you will need to give a person a copy of your PDS *before* that person joins your superannuation fund (subject to any exceptions: see RG 184.45–RG 184.46). The information in your integrated PDS will be relevant to the person’s decision whether to invest in your superannuation fund. The information is also relevant to members in considering their choice

(including changes) of investment strategies. In such circumstances, members will need to receive an up-to-date integrated PDS (unless they already have the relevant information).

Note: If s1012F applies, you have up to 3 months to give a member a copy of your integrated PDS. If you receive money from a member *before* they have been given the required disclosure documents, you should deal with that money in accordance with your fund rules (e.g. by investing that money in the default strategy).

Content of the integrated PDS

Meeting the general disclosure obligations

RG 184.84 Under this option you must include all the required disclosure about the investment strategies (whether or not they include accessible financial products) in your integrated PDS. Your integrated PDS must:

- (a) for all investment strategies, satisfy the general PDS requirements in Pt 7.9 of the Corporations Act, including the content test in s1013D; and
- (b) for accessible financial products, the additional disclosure requirements under s1012IA.

Note: Our relief does not affect your obligation to comply with the SIS requirements. You will need to be satisfied that you have included sufficient information in your integrated PDS to comply with SIS reg 4.02.

RG 184.85 In meeting both the disclosure obligations, we think you should consider whether your integrated PDS needs to explain any differences between the rights of a person who has made an equivalent direct acquisition of an accessible financial product as a retail client and the rights of a person where you have acquired the same product for the member under a custodial arrangement.

RG 184.86 In preparing your integrated PDS we assume as good practice that you will bring together in the one document information about the accessible financial products and the superannuation product. We do not think that it would be consistent with the requirement in s1013C for clear, concise and effective disclosure to just add all the information about the accessible financial products to the content of the superannuation entity's PDS without any changes to take into account that it forms part of an integrated PDS.

RG 184.87 Section 1013F allows you to 'tailor' the integrated PDS content taking into account that accessible financial products are acquired through a superannuation fund, rather than directly as a retail client. You might decide to modify or exclude information that would be relevant to retail clients acquiring the accessible financial product

directly, because the information is not relevant to members. We expect that a ‘tailored’ integrated PDS will eliminate most, if not all, repetition and duplication that arises because both the general PDS and s1012IA disclosure requirements apply.

Standard of disclosure for accessible financial products

RG 184.88 Under this option, you must prepare the product disclosure information about accessible financial products *as if you were the issuer of the accessible financial product*. You will be responsible for the disclosure information about the accessible financial product in the integrated PDS because you are considered to be the issuer of the product under s1013A. The integrated PDS must provide the same standard and level of information as is required in a PDS for an accessible financial product for a retail client if making a direct investment in the product.

RG 184.89 All of the PDS requirements in Pt 7.9 will apply to the integrated PDS, including the ‘reasonable steps’ defence in s1021E(4) of the Corporations Act. However, we think that you will only be able to rely on this defence where you have made ‘reasonable inquiries’ to ensure that information about the accessible financial products meets the PDS content requirements in s1013C. If you have an arrangement in place with the product issuer as described in RG 184.91–RG 184.92, we think that you will have made ‘reasonable inquiries’.

Obtaining information about the accessible financial product

RG 184.90 You will be considered as the responsible person for the accessible financial product under s1013A. You will be required to include information about the product in your integrated PDS to the extent that the information is *actually known* to you (see s1013C(2)). Where you are preparing the integrated PDS for the first time, we consider that you will, at a minimum, have actual knowledge of all of the information included in the product issuer’s current PDS for the accessible financial product (if there is one) as this is consistent with good practice (as described in RG 184.91 below).

RG 184.91 To prepare your integrated PDS for the first time, we think it would be good practice for you to:

- (a) obtain a copy of the product issuer’s current PDS for each accessible financial product (i.e. a PDS for which there is a current ‘in use’ notice under s1015D). If the product issuer has not issued a PDS, you would obtain whatever product disclosure information is

publicly available (e.g. there may be an information memorandum);

- (b) enter into an arrangement with the product issuer about the currency of the product disclosure information; and
- (c) check that you have no reason to believe that the product disclosure information obtained under (a) or (b) is not up-to-date.

Where you have followed this procedure, we think you will have done all that can be expected as a minimum to prepare the content about the accessible financial products included in the integrated PDS.

RG 184.92 You will also need to have procedures in place to ensure that your integrated PDS is up-to-date on an ongoing basis. Again, we think it would be good practice for you to have arrangements in place with the product issuer of an accessible financial product that gives you confidence that you will be promptly advised of any material adverse changes or significant events that adversely affect a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs. These arrangements should include being provided copies of any supplementary PDSs or new PDSs prepared by the product issuer for the accessible financial product. The precise terms of any arrangement with the product issuer will be subject to commercial negotiation between you and the product issuer. We have deliberately not prescribed the terms of these arrangements to allow you this flexibility.

RG 184.93 If the product issuer has not prepared a PDS for the accessible financial product or has prepared a PDS for wholesale clients only, it will be particularly important to have an arrangement in place to ensure that you are kept informed about the product so that you can keep your integrated PDS up-to-date.

Prescribed PDS content—fees and costs

RG 184.94 The enhanced fee disclosure regulations (Div 4C of the Corporations Regulations) apply to:

- (a) the fees and costs charged by you relating to membership of your superannuation fund (i.e. the superannuation product); and
- (b) the fees and costs (if any) separately charged by the issuer of the accessible financial product to the extent that these fees will be payable by a member of a superannuation fund (i.e. if the product is a managed investment product).

Note: See regs 7.9.16J to 7.9.16O of the Corporations Regulations.

RG 184.95 Under this option, you may comply with your fees and costs disclosure obligations in one of two ways:

- (a) by integrating all of the information into the one fees and costs template; or
- (b) by providing information about fees and costs relating to membership of the superannuation fund and fees and costs (if any) relating to acquisition of an accessible financial product in separate templates (split table).

Note: We think that the law provides sufficient flexibility to do this.

RG 184.96 If you choose to prepare a split table, your integrated PDS must make it clear that to understand all of the fees that might be payable by a member who selects a particular strategy, the member must look at separate areas in the PDS (we expect you to include specific cross-references).

Note: Additional guidance is provided in RG 97: see question A5.

Underlying principles

RG 184.97 This option allows you to better manage the duplication of information between the disclosure you are required to make in your superannuation entity's PDS under the general PDS requirements (e.g. s1013D and 1013E) and the disclosure required about the accessible financial products (which you must give to a member under s1012IA). It gives you more flexibility in deciding how to deliver PDS information about accessible financial products to your members. It still ensures, however, that members receive adequate information to work out whether to instruct you to follow a particular investment strategy.

RG 184.98 The expected benefits of this approach are that:

- (a) you can tailor information included in the integrated PDS to better suit the needs of your members;
- (b) information that is not relevant to indirect investors (such as your members) can be excluded, making your integrated PDS more concise;
- (c) you can choose to make disclosure about individual accessible financial products in separate parts of your integrated PDS, so that it is easier for members to locate information about products included in the investment strategies that interest them; and
- (d) you will not need to have compliance procedures to ensure that a member is given an accessible product PDS on request.

Explanation

Content of the integrated PDS

Comprehensive information

RG 184.99 As part of compliance with the general PDS requirements, your integrated PDS must include information about *all* the investment strategies you offer to members, whether or not they include accessible financial products. Our relief allows you to include all the information that would be in your superannuation entity's PDS and in an accessible product PDS in the one disclosure document.

Note: Our relief does not affect your obligation under the SIS requirements, including SIS reg 4.02, to provide members with specific disclosure about all the available investment strategies, including the default investment strategy.

RG 184.100 Providing sufficient information about the available investment strategies means you need to include enough information to enable a member to understand the key features of the available investment strategies (including the risks and benefits) and to decide what strategy or strategies they are interested in.

RG 184.101 Under this option you have the flexibility to prepare your integrated PDS in one or more parts. You might choose to include information about all of the accessible financial products included in the same investment strategy in the same part. For example, you might have a two-part integrated PDS, with information about the superannuation fund in Part 1 and information about all the investment strategies (including accessible financial products) in Part 2. Or you might choose to include information about each accessible financial product in a separate part.

Standard of disclosure for accessible financial products

RG 184.102 The standard of disclosure about accessible financial products that you must meet for an integrated PDS is the same as the standard of disclosure that the issuer of an accessible financial product must meet in a PDS for that product. We expect an equivalent level of disclosure about an accessible financial product in your integrated PDS as would be provided under s1012IA without any modification (i.e. in a product-specific PDS).

Tailoring information

RG 184.103 In deciding what information to include in your integrated PDS, you should remember that the member will acquire the financial products through the superannuation fund, and not directly.

You should take this context into account as a factor to consider in s1013F(2) because, depending on the particular circumstances, information included in a PDS provided to a retail client who may acquire the product directly may not be relevant to members of a superannuation fund who will acquire the product indirectly.

RG 184.104 Using an integrated PDS allows you to merge information in a way that removes repetition and duplication, rather than just combining the information that would be in your superannuation entity's PDS with the information that would be required to be in the accessible product PDS.

Note: See Schedule 3 for an example of the process you might follow to gather information to be included in an integrated PDS.

What disclosure documents must be given to a member?

RG 184.105 How many disclosure documents must be given to a member will depend on whether your integrated PDS is in a single document or whether you have prepared it in parts. Before you acquire any accessible financial products as instructed by a member, you must give them a copy of your integrated PDS. If your integrated PDS is in several parts you must give a member all the parts of the integrated PDS at the same time (s1013L).

RG 184.106 The mechanisms for delivering the PDS under this option are explained in RG 184.30–RG 184.34 and RG 184.41–RG 184.48.

D Option 3—Issuer’s accessible product PDS

Our policy

How does Option 3 work?

RG 184.107 Under this option, you are responsible for preparing *some* and delivering *all* of the product disclosure information about accessible financial products to members.

RG 184.108 There are two aspects to this option:

- (a) relief to limit the information that you must include in your superannuation entity’s PDS (this relief also applies to Option 1), on the basis that you will be giving members information about an accessible financial product in the issuer’s accessible product PDS; and
- (b) reliance on the accessible product PDS prepared by the product issuer.

Table 6: Overview of Option 3

Who must prepare each PDS?	You must prepare your superannuation entity’s PDS The product issuer must prepare the accessible product PDS
Is there a minimum PDS content requirement?	Yes. Your superannuation entity’s PDS must meet the general PDS requirements as modified under this relief to minimise duplication of information about accessible financial products (see RG 184.110) The accessible product PDS must satisfy the general PDS requirements as though the product will be offered directly to a retail client
Who must give each PDS to the member?	You are responsible for giving a member your superannuation entity’s PDS If a member requests an accessible product PDS, you are also responsible for giving that PDS to the member <p style="margin-left: 40px;">Note: Before acting on a member’s instruction to acquire an accessible financial product, you must give the member the relevant accessible product PDS. You may be satisfied that the member has received the relevant accessible product PDS if you have an appropriate arrangement in place with a third party to deliver the PDS on your behalf.</p>

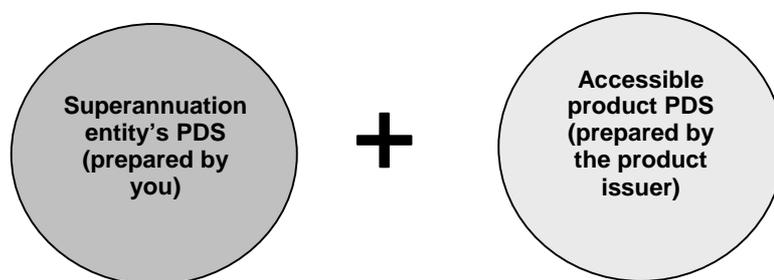
What disclosure documents are required?

RG 184.109 Under this option you will give a member at least two disclosure documents—your superannuation entity’s PDS (prepared by you) *plus* an accessible product PDS (prepared by the product issuer) for each accessible financial product included in the member’s selected investment strategy. This means that a member may be given two or more documents at *different* times (i.e. your superannuation entity’s PDS and, later, on request, one or more accessible product PDSs prepared by the product issuer).

Figure 4: What disclosure documents are required?

Under Div 2 of Pt 7.9

Under s1012IA



Content of the superannuation entity’s PDS

RG 184.110 Our relief allows you to modify your superannuation entity’s PDS so that it does not include all the information about accessible financial products that would be required under the general PDS requirements. Under this relief, your superannuation entity’s PDS must include at a minimum:

- (a) the information that a person would reasonably require as a retail client to:
 - (i) identify what accessible financial products (if any) are included in each investment strategy;
 - (ii) understand the investment strategy under which the accessible financial products may be acquired;
 - (iii) work out whether to ask for further information about an accessible financial product; and
- (b) a statement that you will give to a person, on request, and free of charge, a PDS for each accessible financial product (i.e. under this option, the issuer’s accessible product PDS; under Option 1, the trustee’s accessible product PDS).

Note 1: Our relief does not affect your obligation to comply with s1013C. You will need to be satisfied that your superannuation entity’s PDS complies with s1013C.

Note 2: Our relief does not affect your obligation to comply with the SIS requirements.

RG 184.111 Although your superannuation entity's PDS must satisfy the general PDS requirements in Pt 7.9 of the Corporations Act, s1013F allows you to 'tailor' the PDS content taking into account that the product is accessed through a superannuation fund with its own PDS. See RG 184.114. As part of compliance with the general PDS requirements, we think you should consider whether your superannuation entity's PDS needs to explain any differences there may be between direct acquisition of accessible financial products and acquisition of accessible financial products through the superannuation fund.

Content of the accessible product PDS

RG 184.112 You must give a copy of the issuer's accessible product PDS to a person free of charge.

Note: The issuer's accessible product PDS may be an existing disclosure document directed at retail clients (where the product issuer accepts investments from retail clients), or it may be a specially prepared disclosure document (where the product issuer does not ordinarily accept investments from retail clients i.e. the product is only available to wholesale clients).

Standard of disclosure

RG 184.113 The product issuer will be responsible for the disclosure information about the accessible financial product in the accessible product PDS because they are the issuer of the product under s1013A. The accessible product PDS must provide the same standard and level of information as is required in a PDS for a product where a retail client would make a direct investment.

RG 184.114 This does not necessarily mean that the member must be given exactly the same information as would be given to a retail client, although this might happen if the product issuer has an existing accessible product PDS for the accessible financial product which you merely 'pass on' to members. If there is no PDS (e.g. because the product has only been available to wholesale clients), and the product issuer prepares a special PDS for the superannuation context, s1013F allows the issuer to 'tailor' the PDS content taking into account that the product is accessed through a superannuation fund with its own PDS.

Prescribed PDS content—fees and costs

RG 184.115 The enhanced fee disclosure regulations (Div 4C of the Corporations Regulations) apply to:

- (a) the fees and costs charged by you relating to membership of your superannuation fund (i.e. the superannuation product); and

- (b) the fees and costs (if any) separately charged by the issuer of the accessible financial product to the extent that these fees and costs will be payable by a member of a superannuation fund (i.e. if the product is a managed investment product).

Note: See regs 7.9.16J to 7.9.16O of the Corporations Regulations.

RG 184.116 The relief given from s1013D under s1013FB(4)(a) in [CO 06/636] means that your superannuation entity's PDS does not have to include the fees and costs template and related additional information for the accessible financial products—because this information will be in the relevant accessible product PDS.

Note: In this option, the superannuation entity's PDS and the accessible product PDS are 'stand alone' disclosure documents.

RG 184.117 Because fees and costs information will be in separate documents, to minimise confusion, your superannuation entity's PDS needs to make it clear that to understand all of the fees payable by a member who selects a particular strategy, the member must look at both your superannuation entity's PDS and the relevant accessible product PDS.

Underlying principles

RG 184.118 Like Option 1, this option addresses the issue of overlap and duplication of information by modifying the general PDS requirements as they apply to your superannuation entity's PDS. This allows you to prepare and include only general information about accessible financial products in your superannuation entity's PDS, provided that you give a member more information in a separate accessible product PDS prepared by the product issuer.

Note: This option is based on similar relief available to IDPS and IDPS-like schemes under ASIC Class Order [CO 02/294] *Investor directed portfolio services* and ASIC Class Order [CO 02/296] *Investor directed portfolio-like schemes offered through a registered managed investment scheme*. However, we have modified this option to take into account the structural and operational differences between IDPSs and superannuation.

RG 184.119 The expected benefits of this approach are that:

- (a) you do not have to prepare product disclosure information for accessible financial products as you will give your members the issuer's accessible product PDS;
- (b) you do not have to update product disclosure information—the product issuer is responsible for ensuring that the accessible product PDSs remain accurate and up-to-date;
- (c) you will not have any additional printing or other publication costs (unlike Option 1); and

- (d) you may rely on the information included by the issuer in the accessible product PDS.

Explanation

Content of the superannuation entity's PDS

RG 184.120 While our relief limits the information you need to include in your superannuation entity's PDS about accessible financial products, you must still provide sufficient information about the available investment strategies under which the accessible financial products may be acquired. This information needs to be in your superannuation entity's PDS because it is relevant to the member's decision whether to invest in the superannuation fund.

Note: Our relief does not affect your obligation under the SIS requirements, including SIS reg 4.02, to provide members with specific disclosure about all the available investment strategies, including the default investment strategy.

RG 184.121 Providing sufficient information about the available investment strategies means you need to include enough general information to enable a member to understand the key features of the available investment strategies (including the risks and benefits) and to decide what strategy or strategies they are interested in.

Note: You will need to include full disclosure about investment strategies that do not include accessible financial products.

Prescribed PDS content—fees and costs

RG 184.122 Where additional fees and costs are payable if an accessible financial product is acquired, your superannuation entity's PDS needs to make it clear to members that to understand all of the fees and costs that might be payable under a particular investment strategy, the member must look at both the superannuation entity's PDS and the relevant accessible product PDSs.

Note: Additional guidance on disclosure of fees and costs is provided in RG 97: see question A5.

Ensuring the issuer's accessible product PDS is current

RG 184.123 Under this option, you must rely on the product issuer to ensure that the PDS remains accurate and up-to-date. We consider that it is good practice to have an arrangement with the product issuer so that you are kept informed about the status of the issuer's accessible product PDS: see RG 184.61 and RG 184.92.

Note: If the product issuer becomes aware that the issuer's accessible product PDS is defective, the issuer must notify the trustee (see s1021J). The trustee must not

continue giving a member the issuer's accessible product PDS once the trustee knows that the PDS is defective (see s1021F).

What disclosure documents must be given to a member?

RG 184.124 You must give an accessible product PDS to a member 'on request', or, if the member instructs you to follow an investment strategy that includes accessible financial products, before you acquire a product on the member's behalf. This allows you to give members only those disclosure documents that are relevant to the accessible financial products in their preferred investment strategy, rather than giving them information about all the available options (including a PDS for every accessible financial product included in any investment strategy).

RG 184.125 In practice, we expect that you will give most members several disclosure documents at different times. Initially, all members will be given your superannuation entity's PDS and, at a later time (but before you acquire any accessible financial products as instructed by the member), a copy of the relevant PDS for the accessible financial products included in the selected investment strategy.

Note: Where s1012F applies, you may give a member the accessible product PDS/s at the same time as your superannuation entity's PDS or prior to the acquisition of the accessible financial product: see RG 184.46. If you do this, during the period between joining the superannuation fund and receiving the required disclosure, any money contributed by, or on behalf of, the member should be dealt with according to your fund rules (e.g. by investing it in the default investment strategy).

RG 184.126 We expect members will ask for more information about investment strategies that include accessible financial products *before* they instruct you to follow such a strategy. However, if they do not ask for this information, you must be satisfied that the member has been given all the relevant product disclosure information *before* implementing the selected investment strategy and acquiring any accessible financial products for a member.

RG 184.127 The mechanisms for delivering the PDS under this option are explained in para RG 184.30–RG 184.34 and RG 184.41–RG 184.48.

E Relief for additional acquisitions

Our policy

How often you must give an accessible product PDS

RG 184.128 The product disclosure obligations under s1012IA are ongoing. This means that, under the law without modification, if you acquire an accessible financial product for a member more than once, you must give them a PDS for the accessible financial product before each additional investment of money in that product.

RG 184.129 An additional acquisition will usually occur in situations where a member has given you a standing instruction to follow an investment strategy that will involve the acquisition of an accessible financial product on an ongoing basis. We consider that an additional accessible financial product is acquired each time you apply the strategy and increase the member's investment in the accessible financial product.

RG 184.130 Where a member is making contributions to their superannuation on a regular ongoing basis, complying with s1012IA for additional acquisitions of an accessible financial product would result in an oversupply of information to members. To address this issue, we have given relief from s1012IA about *how often* you must give a PDS to a member when you are making additional acquisitions for that member: see s1017CA in [CO 06/636].

RG 184.131 This relief is available independently from the disclosure relief described in Sections B, C and D of this guide.

RG 184.132 Under our relief, you do not have to give a member another PDS each time you make an additional acquisition of an accessible financial product provided that:

- (a) if the member joined under a PDS prepared after 1 July 2007 or joined the superannuation fund on or after 1 July 2008 (new member), the member has given you an upfront written acknowledgment that they understand that they may not have the most up-to-date information at the time you make an additional acquisition of the product (see RG 184.133); or
- (b) if the member joined the superannuation fund under a PDS prepared on or before 1 July 2007 (existing member), you have told the member that they may not have the most up-to-date

information at the time you make an additional acquisition of the product (see RG 184.134); and

Note: We expect that many existing members may not have been given a PDS for any accessible financial products that you are acquiring on their behalf.

- (c) if a material adverse change or a significant event that adversely affects a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs, you have, as soon as practicable after the change or event, notified affected members, provided additional disclosure information and given them an opportunity to choose a different investment strategy (see RG 184.135).

Note 1: Under our relief you only have to notify those members who have instructed you to acquire the accessible financial product. However, if you consider that the change or event constitutes a material change or significant event for *all* members of the superannuation fund and, therefore, that s1017B applies, you will have to inform all your members in accordance with s1017B.

Note 2: The ways in which this notification may be given are the same as for s1017B: see s1017CA(3) and regs 7.9.75A and 7.9.75B.

Note 3: This obligation is subject to any specific exceptions: see s1017CA(6)–(7), which recognise that the member may already have received the information by other means.

How the relief works

Written acknowledgement from new members

RG 184.133 Under our relief, before you acquire an accessible financial product for a new member *for the first time*, you must tell the new member in writing (and receive their written acknowledgement) that when you make subsequent acquisitions of an accessible financial product for them, they may not:

- (a) have the most recent disclosure document for the accessible financial product; or
- (b) have been notified about material adverse changes or significant events that adversely affects a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs(see s1012IA(2A) in [CO 06/636]).

Note: You do not have to get written acknowledgement from existing members: see RG 184.134.

Disclosure to existing members

RG 184.134 Under our relief, you must tell an existing member in writing, about the matters set out in RG 184.133: see s1012IA(2A) in

[CO 06/636]. As you have an existing relationship with these members we do not think that it is necessary for you to obtain written acknowledgment from them of the disclosure limitations. How you make this disclosure is up to you. You may make this disclosure, for example, in your superannuation entity's PDS, or in a periodic report; or you may decide to make it in a separate mail-out.

Note: We have not set content requirements for this disclosure. What you tell your members is up to you. However, existing members are likely to need to receive information about, for example:

- (a) the availability of an accessible product PDS (for relevant investment strategies) and how they can obtain this PDS;
- (b) why an accessible product PDS is now required (although a superannuation entity's PDS is not); and
- (c) how information in the accessible product PDS interacts with other investment information available for the superannuation fund (e.g. the superannuation entity's PDS).

What you must do if there is a material adverse change or a significant event that adversely affects disclosure

RG 184.135 Where an accessible financial product held by you on behalf of a member is affected by a material adverse change or a significant event that adversely affects a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs, you must as soon as practicable after the change or event:

- (a) notify the member of the change or event;
- (b) provide further information; and

Note: The obligation to give further information is subject to exceptions in s1017CA(6)–(7), which recognise that the member may already have received the information by other means.

- (c) give the member an opportunity to select a different investment strategy (see s1017CA(2) in [CO 06/636]).

RG 184.136 The way in which the additional information must be given to members will depend on whether the accessible financial product is an 'open' or 'closed' product.

'Open' accessible financial products

RG 184.137 An accessible financial product is 'open' if you will accept new instructions from a member to acquire that product for the member for the first time. Where a material adverse change or a significant event adversely affects a matter required to be in a PDS for

the accessible financial product immediately before the change or event occurs, you must:

- (a) notify affected members (i.e. members who have instructed you to acquire the accessible financial product) of the change or event; and

Note: The ways in which this notification may be given are the same as for s1017B: see s1017CA(3) and regs 7.9.75A and 7.9.75B.

- (b) give affected members disclosure about the accessible financial products that identifies and explains the impact of the change or event in:

- (i) a supplementary PDS; or

- (ii) a new PDS; and

Note 1: The updated PDS must be given to the member as soon as practicable after you become aware that there has been a relevant change or event.

Note 2: This obligation to give a supplementary PDS or a new PDS is subject to the exceptions in s1017CA(6)–(7), which recognise that the member may already have received the information by other means.

Note 3: The mechanisms for delivering a PDS are explained at para RG 184.30–RG 184.34 and RG 184.41–RG 184.48. You may also use a third party to deliver the disclosure required under (b) to members.

- (c) give the member an opportunity to select a different investment strategy.

Note 1: The opportunity for the member to select a different investment strategy must be available despite any limit in the superannuation entity's rules on the number of times that a member may change their selected investment strategy in a specified period.

Note 2: This condition does not remove any rights that a member who has made an application based on a defective disclosure document may have under s729 or 1016F.

'Closed' accessible financial products

RG 184.138 A product is 'closed' if you will not accept new instructions to acquire the product, even though you might continue to make additional acquisitions of that product because of a standing instruction given by a member before that product was 'closed'. Where a material adverse change or a significant event adversely affects a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs, you must:

- (a) inform affected members (i.e. members who have instructed you to acquire the accessible financial product) of the change or event; and

Note: The ways in which this notification may be given are the same as for s1017B: see s1017CA(3) and regs 7.9.75A and 7.9.75B.

- (b) give affected members disclosure about the accessible financial product that identifies and explains the impact of the change or event; and

Note 1: The obligation to give further information is subject to exceptions in s1017CA(6)–(7), which recognise that the member may already have received the information by other means.

Note 2: Under s1017CA(5)(a)(i) you do not have to give this additional disclosure in the form of a PDS. However, if there is a current PDS (e.g. because the product is available directly to retail clients), you may choose to give members that PDS (see s1017CA(5)(a)(ii)).

- (c) give the member an opportunity to select a different investment strategy.

Note 1: The opportunity for the member to select a different investment strategy must be available despite any limit in the superannuation entity's rules on the number of times that a member may change their selected investment strategy in a specified period.

Note 2: This condition does not remove any rights that a member who has made an application based on a defective disclosure document may have under s729 or 1016F.

RG 184.139 The disclosure about the change or event does not have to be given in the form of a PDS. Where a product is closed, we think that the burden of producing a new PDS or a supplementary PDS is not warranted, provided that a member receives disclosure to explain the impact of the change or event in some other way. For this reason, where the product is closed, our relief allows you to give a member such further information as the member might reasonably require to make an informed decision about whether to change their instruction to you to acquire the affected product in another way. We have not specified in what form the information must be given.

RG 184.140 How you give the information is up to you. You might include this information in the notice given under s1017CA(2). Alternatively, (and provided it satisfies the timing requirement) you might include the information, for example, in a periodic report given under s1017D; or you may decide to include it in the annual fund statement or in a separate mail-out. However, this disclosure must be made as soon as practicable after you become aware that the information required for the accessible financial product has been affected by the change or event.

Note: Electronic delivery options are available for this disclosure: see s1017CA(3).

RG 184.141 We have also given you the flexibility that where there is a current PDS (or supplementary PDS) for a closed product (e.g. an issuer's accessible product PDS), and that PDS addresses any material adverse change or significant event that adversely affects a matter required to be in a PDS for the accessible financial product

immediately before the change or event occurs, you can satisfy your obligation to give the member information about the change or event by giving that PDS to the member.

Note 1: An accessible financial product may be closed to new investors through the superannuation fund, even if that product remains available to new direct investors.

Note 2: The mechanisms for delivering a PDS are explained at para RG 184.30–RG 184.34 and RG 184.41–RG 184.48.

Who must I notify of the changes?

RG 184.142 Under our relief you only have to inform those members on whose behalf you are making additional acquisitions of the affected product, unless you believe that the change or event is one that must be reported to all members under s1017B.

Reporting to members

RG 184.143 Our relief does not affect your obligation to comply with the disclosure obligations in s1017B to report material changes or significant events to members as they affect the superannuation product. Where the material change or significant event affects an accessible financial product, you will need to decide whether this affects the superannuation fund in such a way as to be a material change or significant event affecting the product disclosures that would be required for the fund as a whole. Not all changes or events will satisfy this test. However, you might voluntarily decide to make disclosure about a change or event that is ‘material’ or ‘significant’ at the product or investment-strategy level. Our relief also does not affect your ongoing disclosure obligations under s1017D and 1017DA.

Underlying principles

RG 184.144 We give relief for additional acquisitions so that members are not repeatedly given the same disclosure about an accessible financial product. We see the preparation and provision of this information as potentially confusing for members and an unnecessary cost for you.

RG 184.145 Where you are making additional acquisitions of an accessible financial product and, a material adverse change or a significant event that adversely affects a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs, you must give the member updated information and an opportunity to reconsider their standing instruction to you to acquire that product.

Explanation

What is an additional acquisition?

RG 184.146 Superannuation is generally a long-term investment. Typically, money is contributed to superannuation in two ways:

- (a) as a 'once off' lump sum; or
- (b) in small amounts on a regular, ongoing basis.

Note: If s1012IA applied to the first acquisition of an accessible financial product, s1012IA also applies to any additional acquisitions of a product of the same kind.

RG 184.147 There will be an additional acquisition of an accessible financial product where:

- (a) the member already holds an accessible financial product of the same kind; and
- (b) you acquire an accessible financial product of the same kind as a result of an instruction from the member.

Note: 'Additional acquisition' is defined in s1012IA(1): see [CO 06/636].

Schedule 1: When and how s1012IA applies

Important note: This schedule gives examples of when and how s1012IA will apply to investment strategies that include accessible financial products. It also discusses when s1012IA will not apply. These examples are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

How does s1012IA apply to superannuation?

RG 184.148 Special product disclosure requirements apply where accessible financial products are acquired under a custodial arrangement (including a superannuation fund): s1012IA. Section 1012IA applies where an investment strategy offered by you includes accessible financial products that you will acquire for the member, if you are instructed by your member to follow a particular investment strategy. The primary obligation under s1012IA is to give a member a PDS for an accessible financial product: s1012IA(2). This obligation is subject to some exceptions.

Note: The exceptions to s1012IA are discussed in RG 184.18.

RG 184.149 The types of investment strategies offered to members of superannuation funds differ widely, including investment strategies under which:

- (a) the investment *style* of the strategy is identified (e.g. Growth, Capital stable), but *particular* financial products are not specified—s1012IA will not apply to this type of strategy as it does not include accessible financial products;
- (b) the *types* of financial products or asset classes that will be acquired to satisfy the strategy are specified (e.g. Cash, Listed property trusts), but *particular* financial products are not specified—s1012IA will not apply to this type of strategy as it does not include accessible financial products;
- (c) the accessible financial products that will be acquired to satisfy the strategy are specified (e.g. PQR Share Fund)—s1012IA applies to this type of strategy (see Schedule 1, Example 3); and
- (d) both accessible financial products and other financial products will be acquired to satisfy the strategy (e.g. GHI Retail Trust, Any listed property trust)—s1012IA will apply to some of the products in this type of strategy (see Schedule 1, Example 1).

Table 7: Examples of when s1012IA will and will not apply

Section 1012IA will apply to:	<ul style="list-style-type: none"> • A term deposit with XYZ Bank Limited. • Interests in XYZ Managed Fund. • Interests in XYZ Managed Fund together with investment in an unspecified cash account (e.g. a mixed strategy where s1012IA will only apply to the XYZ Managed Fund component). • A life insurance product issued by XYZ Insurance Company, if a member can instruct you to acquire a product (whether risk or investment-based) solely on their behalf and that product will be held exclusively on behalf of the member (as there is an instruction from the member to acquire an accessible financial product).
Section 1012IA will not apply to:	<ul style="list-style-type: none"> • One or more types of financial products or asset classes (e.g. Cash, Unlisted property trusts, Fixed interest), where the strategy does not specify the particular financial products that will be acquired. • One or more types of financial products and the PDS refers to particular financial products (as an illustration of the particular kinds of financial products comprising the whole or part of the strategy at a particular time), but there is no arrangement to acquire those products. <ul style="list-style-type: none"> Note: For example, s1012IA will not apply to a statement that ‘as at 31 March, 40% of funds invested in Australian managed funds are in JKL Fund’, if the trustee retains the right to invest in any managed funds at any time without seeking further instructions from the member. • A life insurance product if: <ul style="list-style-type: none"> ○ Life cover applies automatically to all members of the superannuation fund (as there is no instruction from the member to acquire a particular product); or ○ A member may opt to take up life cover under a group policy held by the trustee (as there is no acquisition of a product by the trustee as a result of an instruction by a member).

Section 1012IA will not apply to:

- Particular securities for which a direct acquisition of the product would require a prospectus or other Pt 6D disclosure document.
- Specific financial products allocated to a member as a result of an internal reallocation of assets by you (e.g. netting) rather than as a result of an acquisition.
- The default investment strategy if there is no instruction to the trustee to follow that strategy.

Exceptions

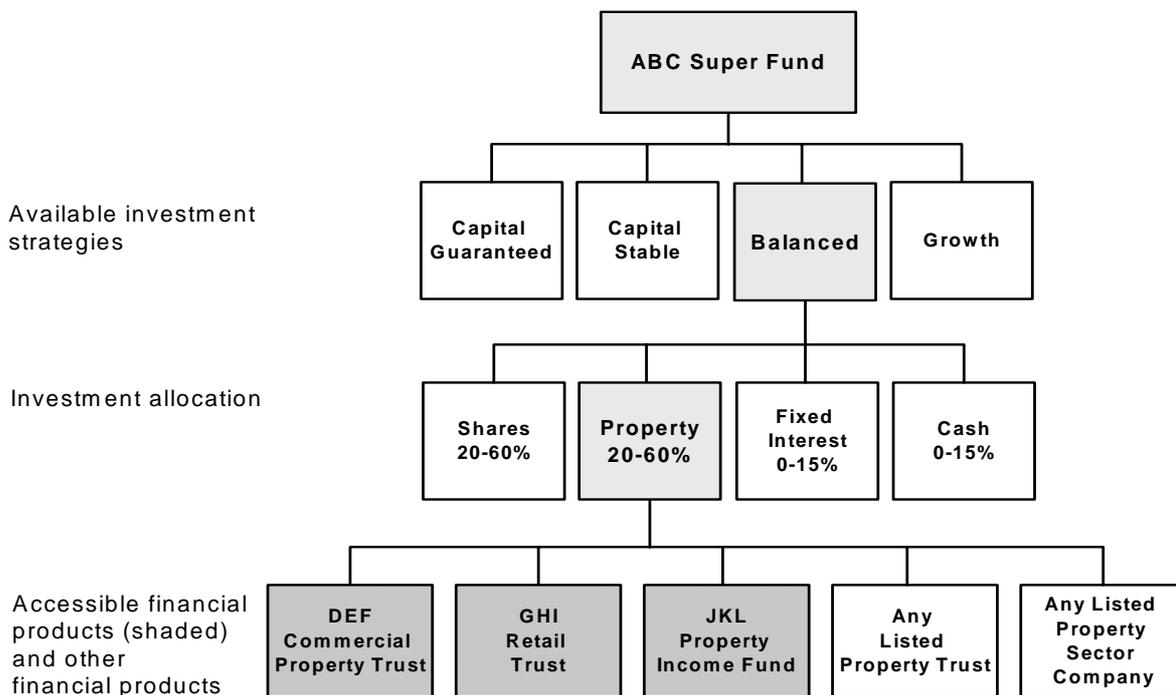
RG 184.150 As discussed in RG 184.18, even if s1012IA applies to an investment strategy, there may be exceptions to the obligation to provide a PDS, such as s1012D.

Examples

RG 184.151 The following examples show how we consider s1012IA applies to different investment strategies.

Example 1: Mixed strategy

RG 184.152 Figure 5 shows a mixed strategy. The member may select between four investment strategies (described by reference to the investment styles): (1) *Capital guaranteed*; (2) *Capital stable*; (3) *Balanced*; or (4) *Growth*. Although the trustee has some discretion about the investment allocations (i.e. 20%–60% of the money invested in the *Balanced* strategy must be invested in the *Property* option), by selecting the *Balanced* investment strategy, in our view, a member instructs you to invest their money in any one or more of DEF Commercial Property Trust, GHI Retail Trust, JKL Property Income Fund, ‘Any listed property trust’ and ‘Any listed property sector company’ and, therefore, s1012IA applies to this strategy. However, if you reserve unfettered discretion to vary the amount invested in, or to replace, the accessible financial products included in the *Balanced* investment strategy without seeking new instructions from the member, s1012IA will not apply. It will depend on the particular facts and circumstances.

Figure 5: Mixed strategy

Note: Section 1012IA applies to the shaded financial products.

RG 184.153 In this example, s1012IA will apply to the accessible financial products (i.e. DEF Commercial Property Trust, GHI Retail Trust and JKL Property Income Fund). You must give a member who selects the *Balanced* investment strategy disclosure about these products in either an accessible product PDS (under Options 1 or 3) or in an integrated PDS (under Option 2).

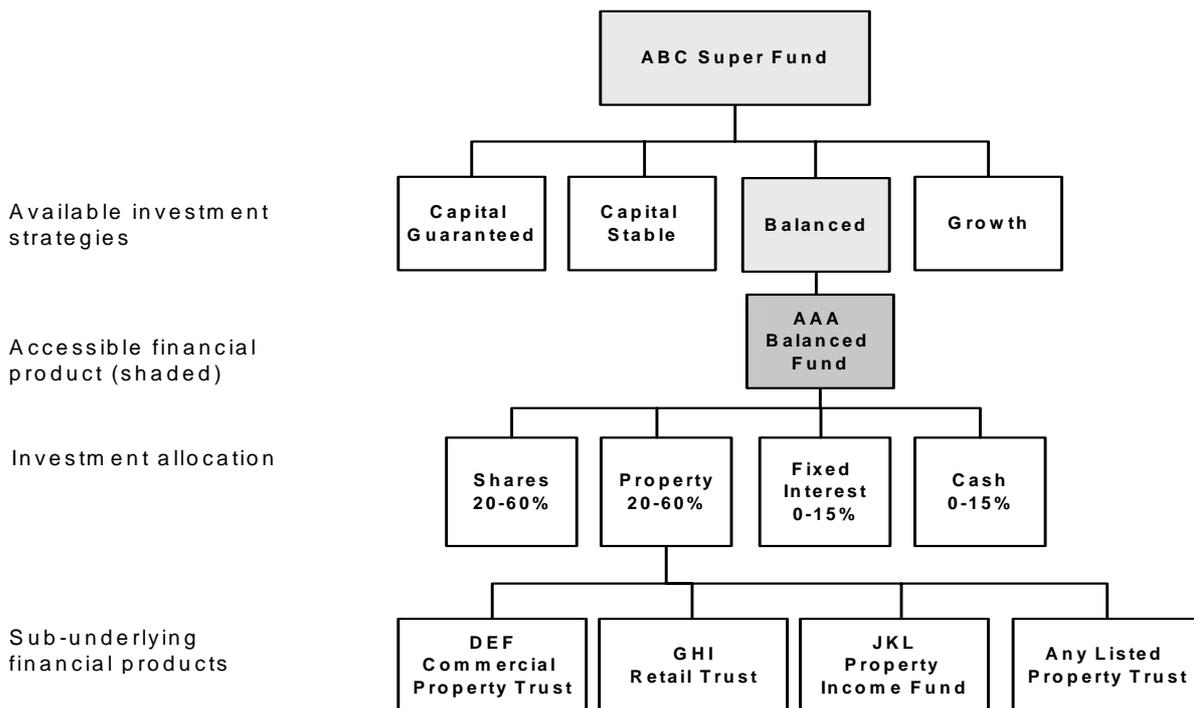
RG 184.154 Section 1012IA does not apply to the 'Any listed property trust' option as it is not an *accessible* financial product. Section 1012IA does not apply to the 'Any listed property sector company' option as the acquisition of securities requires a prospectus or other Pt 6D disclosure document.

RG 184.155 However, you will need to make disclosure about these other financial products as part of the explanation of the *Balanced* investment strategy in your integrated PDS (under Option 2) or your superannuation entity's PDS (under Options 1 or 3). This disclosure must satisfy the general PDS requirements in Pt 7.9 (e.g. s1013D and 1013E).

Example 2: Underlying fund strategy

RG 184.156 Figure 2 shows an underlying fund strategy. By selecting the *Balanced* investment strategy, a member is, in effect, instructing you to invest in only one product—the AAA Balanced Fund which is an accessible financial product.

Figure 2: Underlying investment fund strategy



Note: Section 1012IA applies to the shaded financial products.

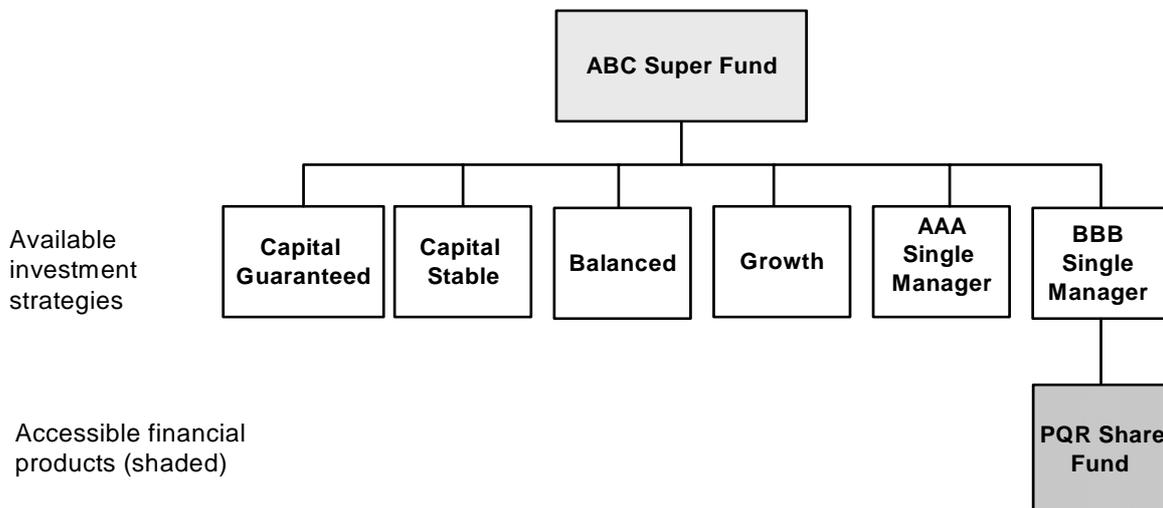
RG 184.157 Section 1012IA applies only to the AAA Balanced Fund; it does not apply to the sub-underlying financial products. If a member instructs you to invest in the *Balanced* investment strategy you must give that member product disclosure information about the AAA Balanced Fund. You may choose to rely on our relief or comply with s1012IA without modification.

RG 184.158 In this example, s1012IA does not apply to any of the sub-underlying financial products (i.e. DEF Commercial Property Trust, GHI Retail Trust or JKL Property Income Fund), as you have not been *instructed* to invest in these products. The AAA Balanced Fund has discretion to invest in a range of options (i.e. shares, property, fixed interest and cash) and, once an option is chosen, in any of the sub-underlying financial products (e.g. if the *Property* investment strategy is followed, the fund may invest in any one or more of DEF Commercial Property Trust, GHI Retail Trust, JKL Property Income Fund or any listed property trust).

Example 3: Single manager strategy

RG 184.159 Figure 7 shows a single manager strategy where the underlying accessible financial product that will be acquired under this strategy is specified.

Figure 7: Single manager strategy



Note: Section 1012IA applies to the shaded financial products.

RG 184.160 In this example, a member’s instruction to follow a single manager investment strategy is, in effect, an instruction to invest in only *one* financial product (i.e. PQR Share Fund). As PQR Share Fund is an accessible financial product you must give your member a PDS that covers this product.

Schedule 2: Choosing a disclosure option

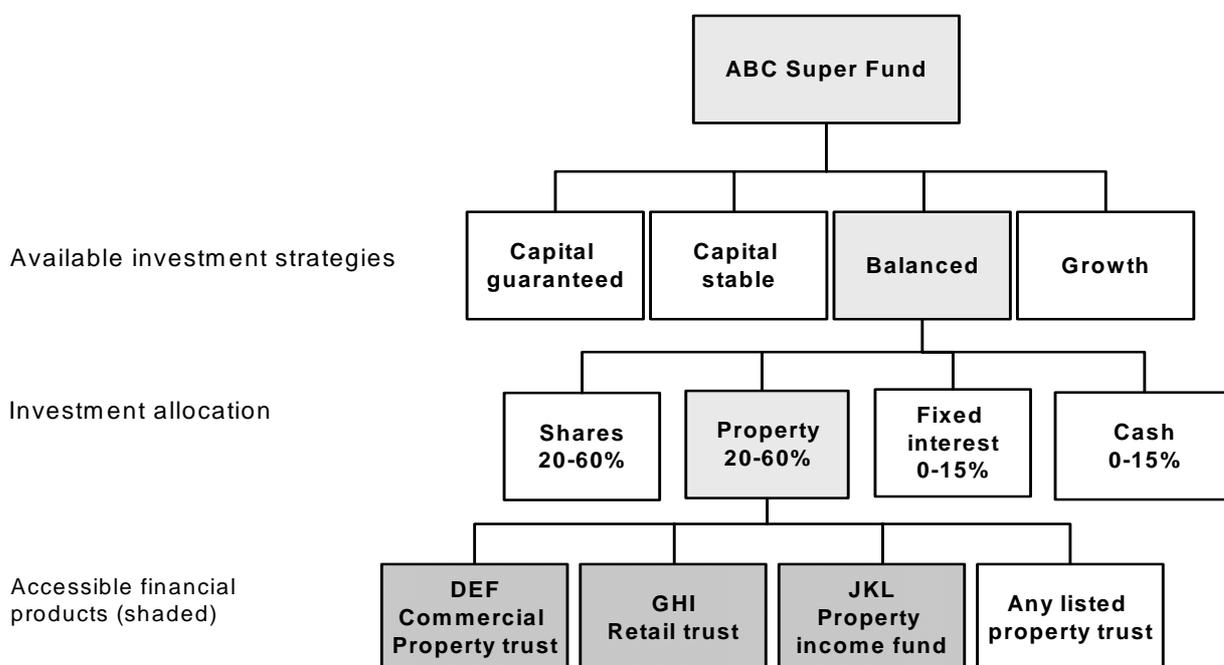
How can the options be used?

RG 184.161 If you choose to use Option 2 (i.e. an integrated PDS), you must apply it to all of your investment strategies and accessible financial products and put all of the required disclosure in your integrated PDS. If you choose to use Option 1 or Option 3, you must apply the same option to all accessible financial products included in the same investment strategy. For example, if you offer four investment strategies that include accessible financial products, you might use Option 1 for one of those strategies and Option 3 for the remaining strategies.

Example 4: Mixed strategy

RG 184.162 Figure 8 shows a mixed strategy. In this example, s1012IA applies to the three accessible financial products offered under the *Property* investment allocation option in the *Balanced* investment strategy (i.e. DEF Commercial Property Trust, GHI Retail Trust and JKL Property Income Fund).

Figure 8: Mixed strategy



Note: Section 1012IA applies to the shaded financial products.

RG 184.163 If you choose to rely on Option 1 (the trustee’s accessible product PDS option), you must give a member a copy of *your* superannuation entity’s PDS plus *your* accessible product PDS for DEF Commercial Property Trust, GHI Retail Trust and JKL Property Income Fund. You can include more than one accessible financial product in the same accessible product PDS (e.g. the accessible product PDS might be the only PDS for the *Balanced* strategy and cover all three accessible financial products).

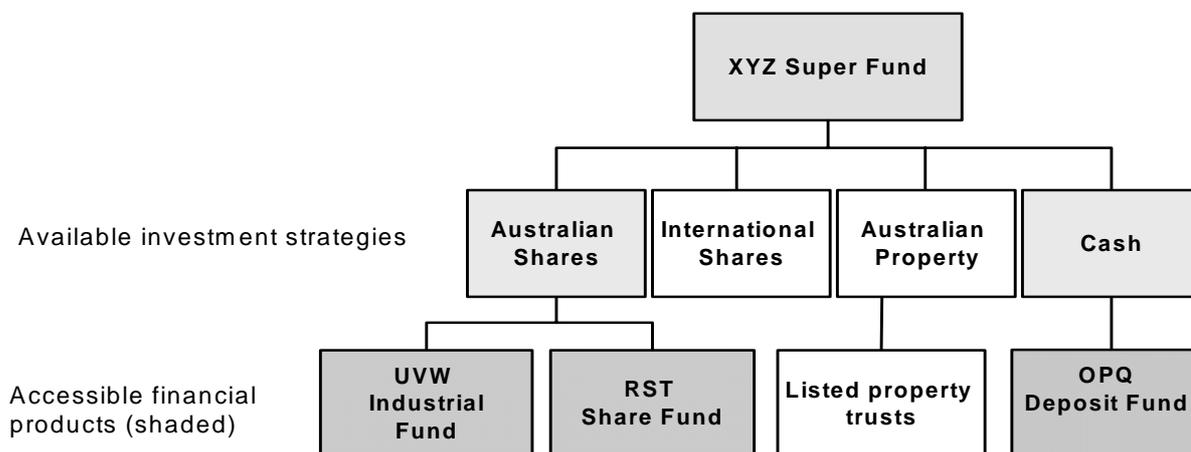
RG 184.164 You cannot give a member *your* accessible product PDS for GHI Retail Trust relying on Option 1 and *the issuer’s* accessible product PDS for other products (i.e. DEF Commercial Property Trust and JKL Property Income Fund) relying on Option 3. You must use the same option for all three accessible financial products as they are part of the same investment strategy.

RG 184.165 Section 1012IA does not apply to the other financial product included in this strategy (i.e. ‘Any listed property trust’) as it is not an accessible financial product.

Example 5: Investment strategies that include only accessible financial products

RG 184.166 Figure 9 shows two investment strategies that include only accessible financial products.

Figure 9: Diversified investment strategy



Note: Section 1012IA applies to the shaded financial products.

RG 184.167 In this example, you might use Option 1 (the trustee’s accessible product PDS option) for the accessible financial product available under the *Cash* investment strategy (i.e. OPQ Deposit Fund) and Option 3 (the issuer’s accessible product PDS option) for the two

accessible financial products available under the *Australian shares* strategy (i.e. UVW Industrial Fund and RST Share Fund). If you use Option 1 for the *Cash* investment strategy, and Option 3 for the *Australian shares* strategy, and a member requests more information about *both* strategies, you must give a member *four* disclosure documents:

- (a) your superannuation entity's PDS;
- (b) the issuer's accessible product PDS for the UVW Industrial Fund;
- (c) the issuer's accessible product PDS for the RST Share Fund; and
- (d) your accessible product PDS for the OPQ Deposit Fund.

RG 184.168 However, if you choose to use Option 1 both for the *Australian shares* strategy and the *Cash* strategy, and decide to prepare an accessible product PDS that covers *both* the UVW Industrial Fund and the RST Share Fund, then you need give the member only *three* disclosure documents:

- (a) your superannuation entity's PDS;
- (b) your accessible product PDS for the *Australian shares* strategy;
and
- (c) the issuer's accessible product PDS for the OPQ Deposit Fund.

RG 184.169 If you choose to use Option 2, you must prepare an integrated PDS that includes disclosure information about all four of the available investment strategies, including information about the three accessible financial products—UVW Industrial Fund, RST Share Fund and OPQ Deposit Fund. This integrated PDS is the only disclosure document that you must give to a member.

Schedule 3: Preparing an integrated PDS: An example

Important note: This schedule gives an example of the process you might follow to prepare an integrated PDS. This example is purely for illustration; it is not exhaustive and is not intended to impose or imply particular rules or requirements. You might follow a similar process when preparing an accessible product PDS under disclosure relief Option 1.

RG 184.170 This schedule is based on the following scenario. ABC Trustee operates the ABC Super Fund. There are five investment strategies available to members of the ABC Super Fund:

(a) **Balanced;**

Note: 'This option invests in a diversified portfolio of Australian companies selected by us from the S & P/ASX 200 index.'

(b) **Conservative;**

Note: 'This option invests exclusively in property trusts listed on the ASX.'

(c) **Growth;**

Note: 'This option invests in managed funds listed on either the New York Stock Exchange or the NASDAQ.'

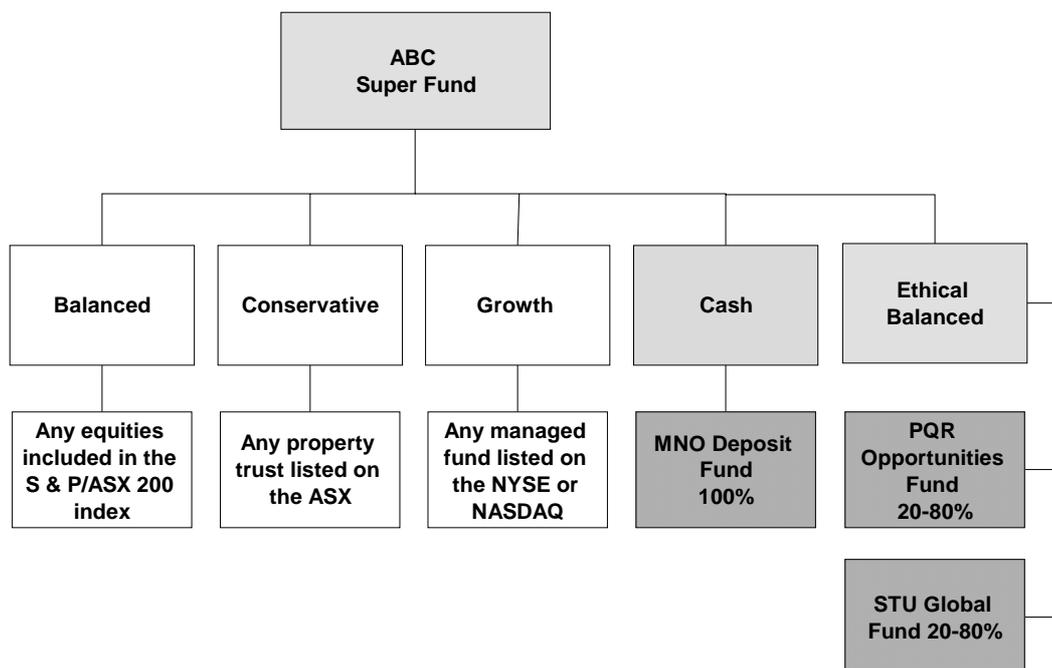
(d) **Cash; and**

Note: 'This option invests solely in the MNO Deposit Fund managed by MNO.'

(e) **Ethical Balanced.**

Note: 'This option invests in two managed funds—PQR Opportunities Fund and STU Global Fund. We review the mix between these funds regularly to take into account changing market conditions and whether the funds continue to abide by ethical investment principles.'

Figure 10: Integrated PDS scenario



Note: Section 1012IA applies to the shaded financial products.

RG 184.171 Section 1012IA does not apply to the *Balanced*, *Conservative* or *Growth* strategies as selecting any of these strategies is not an *instruction* from a member to *acquire* an *accessible financial product* (as the investment options do not include specific financial products). However, as your integrated PDS as a whole must meet the general PDS requirements (including s1013D), you must give members enough information to help them to make an informed assessment of all the investment strategies offered by you.

RG 184.172 Section 1012IA applies to the *Cash* and *Ethical Balanced* strategies as an instruction by a member to follow either of these strategies will mean that you acquire an accessible financial product/s on behalf of the member (i.e. MNO Deposit Fund, or PQR Opportunities Fund and STU Global Fund). Option 2 allows you to include product disclosure information about these products in your integrated PDS.

RG 184.173 Table 8 describes a process you might follow when preparing your integrated PDS in this scenario to ensure that it includes the required disclosure about the accessible financial products (i.e. MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund).

RG 184.174 Please note that RG 168 outlines our expectations about compliance with the general PDS content requirements in Pt 7.9 of the Corporations Act, including the ‘Good Disclosure Principles’.

Table 8: Preparing your integrated PDS

<p>Step 1:</p> <p>Gathering disclosure information</p>	<p>Your integrated PDS must include disclosure information about:</p> <ul style="list-style-type: none"> (a) membership of the superannuation fund; (b) investment strategies offered by you to members (including strategies that do not involve the acquisition of an accessible financial product); and (c) MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund as you will acquire these products if a member instructs you to follow either the <i>Cash</i> or <i>Ethical Balanced</i> investment strategy. <p>To gather information about the MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund:</p> <ul style="list-style-type: none"> (a) if there is a PDS for the relevant product, you should: <ul style="list-style-type: none"> (i) review the current PDS; <i>and</i> (ii) enter into an arrangement with the product issuer about the currency of the disclosure information; and (iii) check that you have no reason to believe that the product disclosure information obtained under (i) or (ii) is not up-to-date; or <p>Note: If you have followed this procedure, we think that you will have done all that can be expected as a minimum to prepare the content about accessible financial products included in the integrated PDS. See RG 184.91.</p> (b) if there is no PDS for the relevant product, you should enter into an arrangement with the product issuer to supply you with disclosure information.
<p>Step 2:</p> <p>Reviewing disclosure information</p>	<p>Once you have gathered the disclosure information, you will need to review it to decide what to include in your integrated PDS, including whether any information may be omitted from your PDS under s1013F: see RG 184.87.</p>

<p>Step 3: Arranging disclosure information</p>	<p>Once you have decided what information to include in your integrated PDS, you will need to decide how to arrange that information i.e. whether to prepare your integrated PDS as a single- or a multi-part PDS.</p> <p>However you decide to arrange the information, you need to consider whether your integrated PDS will meet the ‘clear, concise and effective’ disclosure obligation in s1013C(3).</p> <p>Note: See the ‘Good Disclosure Principles’ in RG 168 for guidance.</p>
<p>Step 4: Updating disclosure information</p>	<p>Your disclosure obligation under s1012IA is an ongoing one. As each occasion on which you apply a member’s money into a product is a separate acquisition, additional acquisitions trigger the obligation to give a member a current PDS for that product. We have given relief from this obligation, unless a material adverse change or a significant event adversely affecting a matter required to be in a PDS for the accessible financial product immediately before the change or event occurs.</p> <p>Note: We expect that the arrangement that you enter into with the product issuer described in Step 1 will ensure that your integrated PDS can be kept up-to-date on an ongoing basis. See RG 184.92.</p> <p>Our relief prescribes what disclosure you must make if the superannuation product or an accessible financial product is affected by such a change or event.</p> <p>Note 1: See Section E of this policy.</p> <p>Note 2: You also have ongoing disclosure obligations under s1017B, 1017D and 1017DA of the Corporations Act.</p>

Explanation

Step 1: Gathering information

RG 184.175 You must prepare your integrated PDS *as if you were the issuer* of the MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund. This means that you must include information about the MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund in your integrated PDS to the extent that the information is *actually known to you* (s1013C(2)—as you are the *responsible person* for your integrated PDS). To be able to do this,

you will need to get information about the MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund from the relevant product issuer. We consider, at a minimum, that you will have ‘actual knowledge’ of all of the information included in the product issuer’s current PDS for the accessible financial product (if there is one) as this is consistent with good practice (as described in RG 184.91).

RG 184.176 A core information source will be any PDS for the accessible financial product that has been prepared by the product issuer. We expect that you will have information-sharing arrangements in place with the product issuer to ensure that you will receive any other relevant information about the MNO Deposit Fund, PQR Opportunities Fund and STU Global Fund on an ongoing basis.

Note: Under this option, you will be responsible for the accuracy of the information about an accessible financial product that is included in your integrated PDS. If the information about the accessible financial products is defective you may be liable for giving a defective PDS to a member (see s1021E). To rely on the defence in s1021E(4) of the Corporations Act, you will need to prove that you took ‘reasonable steps’ to ensure that the PDS would not be defective. We think that having an arrangement in place as described in RG 184.92 will demonstrate that you have taken ‘reasonable steps’.

RG 184.177 One way to do this would be to negotiate an arrangement with the product issuer about:

- (a) how you will obtain any new or supplementary PDS;
- (b) an undertaking from the issuer that they will inform you if they become aware that the relevant PDS is no longer accurate (i.e. it is defective as defined in s1021B);
- (c) an undertaking from the issuer that they will inform you if the relevant PDS is withdrawn or the product is no longer available to new investors; and
- (d) an undertaking from the issuer that they will inform you of any material changes or significant events (as described in s1017B) that affect the accessible financial product.

RG 184.178 You might also seek a warranty from the product issuer that the PDS (if there is one) and any other information provided by the issuer is all the information necessary to allow you to prepare the product disclosure information about the accessible financial product and meet the disclosure tests in Div 2 of Pt 7.9 and s1012IA. The precise terms of any arrangement with the product issuer will be subject to commercial negotiation between you and the product issuer. We have deliberately not prescribed the terms of these arrangements to allow you this flexibility.

RG 184.179 If the product issuer has not prepared a PDS for the accessible financial product (e.g. if it is currently only available to wholesale clients), it will be particularly important to have an arrangement in place to ensure that you are kept informed about the product to ensure that your integrated PDS remains accurate and up-to-date.

Step 2: Reviewing information

What to include?

RG 184.180 To decide what information to include in your integrated PDS, you will need to consider the general disclosure tests in Pt 7.9 of the Corporations Act i.e. is the information:

- (a) 'reasonably required for the purpose of making a decision, as a retail client, whether to acquire the financial product'? (see s1013D); or
- (b) 'other information that might reasonably be expected to have a material influence on the decision of a reasonable person, as a retail client, whether to acquire the product'? (see s1013E).

RG 184.181 These tests are qualified by s1013F, which provides that 'information ... is not required to be included in a [PDS] if it would not be reasonable for a person considering, as a retail client, whether to acquire the product to expect to find the information in the [PDS]'.

RG 184.182 Because the interest in the MNO Deposit Fund, PQR Opportunities Fund or STU Global Fund will be acquired under a custodial arrangement, some of the information that would ordinarily be included in a PDS for that product may not be applicable and (if you decide that it is not applicable) may be omitted from your integrated PDS (under s1013F).

RG 184.183 For example, s1013D(1)(g) requires information about dispute resolution to be included in all PDSs. However, in the superannuation context the most relevant dispute resolution scheme will most likely be the one that the trustee has in place; rather than the product issuer's scheme. If this is the case, s1013F allows you to omit information about the product issuer's dispute resolution scheme.

RG 184.184 Another example of where information may be omitted under s1013F might be, where the accessible financial product is a managed investment scheme, and certain membership rights apply only to direct investors.

Step 3: Arranging information

The 'Good Disclosure Principles'

RG 184.185 The Good Disclosure Principles set out in RG 168 provide guidance on how you might arrange the information in your integrated PDS to comply with your obligation to word and present the information in a 'clear, concise and effective manner': s1013C(3).

Can my integrated PDS have several parts?

RG 184.186 An integrated PDS may be comprised of more than one part (s1013L). If it has multiple parts, the parts of the PDS when read together must satisfy the content requirements in Div 2 of Pt 7.9 of the Corporations Act. If you choose to prepare a multi-part integrated PDS, you will need to arrange the information so that the separate parts of the PDS work well together.

Step 4: Updating information

RG 184.187 As described in RG 184.92, we expect that you will have an arrangement with the product issuer to ensure that you are kept up-to-date with any changes made to the accessible financial product or to the issuer's PDS for that product.

Schedule 4: The SIS Act requirements

RG 184.188 As a trustee of a superannuation entity, you also have to comply with the disclosure aspects of the SIS requirements. For this reason, you should consider the application of s1012IA in the context of the SIS requirements.

RG 184.189 Section 52(2)(f) of the SIS Act requires you to first formulate and then give effect to an investment strategy that has regard to the whole of the circumstances of your superannuation entity, including factors relating to risk, investment composition, liquidity and ability to satisfy current and future liabilities. This obligation requires you to consider entity level objectives and develop a fund investment strategy.

Note 1: SIS reg 4.09(2) sets out the factors that you must consider when developing the fund investment strategy.

Note 2: The Australian Prudential Regulation Authority (APRA) provides guidance in Superannuation Circular No. II.D.1 *Managing Investments and Investment Choice*, March 2006 on developing the entity level investment strategy.

RG 184.190 Section 52(4) of the SIS Act makes the availability of investment strategy selection for members a feature that will not breach s52(2)(f) (i.e. you may be directed by a member to invest in a selected strategy). However, s52(4) of the SIS Act only applies where the direction is given in circumstances that satisfy SIS reg 4.02.

RG 184.191 SIS reg 4.02 requires the following disclosure to be made about all of the investment strategies offered by you before a member gives you an instruction to follow a selected strategy. The disclosure must include:

- (a) the investment objectives of each of the available strategies;
- (b) all information you reasonably believe a member would reasonably need to understand the effect of each of those strategies and any risks involved in each of those strategies; and
- (c) details of the range of instructions that can be given and the circumstances in which they can be changed.

RG 184.192 None of our relief options affects your disclosure obligations under the SIS requirements. We do not have the power to grant relief from the SIS requirements and you must continue to comply with SIS reg 4.02. Disclosure under the SIS requirements may overlap with the Corporations Act disclosure requirements. You

will need to consider whether the disclosure you have made about investment strategies satisfies both the SIS requirements and the Corporations Act.

RG 184.193 We understand that it is common for trustees to aim to comply with both the Corporations Act disclosure requirements and the SIS requirements using the same product disclosure information, often in the same PDS. Our relief does not prevent you from continuing this practice. We believe that our relief options are consistent with the SIS requirements. The information that you provide to a member using any of our PDS relief options—whether the information is in one PDS, several parts of the same PDS, or several complementary PDSs—should ensure that a member has received adequate disclosure information before instructing you to follow a particular investment strategy.

Key terms

RG 184.194 In this guide, terms have the following meanings:

accessible financial product A particular financial product (e.g. XYZ Managed Fund) that will be acquired by the trustee making a regulated acquisition.

Note: See also s1013FB of the Corporations Act: see [CO 06/636].

additional acquisition In relation to a member, a regulated acquisition of an accessible financial product at a time when the trustee is already holding a financial product of the same kind as a result of an instruction given by the member.

Note: The precise definition is in s1012IA of the Corporations Act: see [CO 06/636].

APRA The Australian Prudential Regulation Authority.

ASIC The Australian Securities and Investments Commission.

[CO 02/296] (for example) An ASIC class order (in this example numbered 02/296).

closed accessible financial product An accessible financial product for which a trustee will not accept a new instruction from a member to acquire the product for the member for the first time, even though the trustee might continue to invest in that product because of a standing instruction given by a member before the product was closed.

Corporations Act The *Corporations Act 2001*.

Corporations Regulations The *Corporations Regulations 2001*

custodial arrangement Has the meaning given in s1012IA(1) of the Corporations Act.

default investment strategy The investment strategy that the trustee will follow if the member fails to instruct the trustee to follow a different investment strategy.

equivalent direct acquisition Has the meaning given in s1012IA(2) of the Corporations Act.

FSR Act The *Financial Services Reform Act 2001*.

general PDS requirements The requirements set out in Div 2 of Pt 7.9 of the Corporations Act.

IDPS An investor directed portfolio service as defined in ASIC Class Order [CO 02/294] or any class order that replaces that class order.

integrated PDS A product disclosure statement for a superannuation product and, one or more, accessible financial products.

investment strategy In relation to a superannuation entity, an investment strategy formulated by the trustee of the entity under the covenant referred to in paragraph 52(2)(f) of the *Superannuation Industry (Supervision) Act 1993*.

Note: This is a definition in s1017CA of the Corporations Act: see [CO 06/636].

issuer's accessible product PDS A Product Disclosure Statement for the accessible financial product that the issuer of the product has prepared.

Note: This is a definition in s1013FB of the Corporations Act: see [CO 06/636].

member A member of a superannuation entity, and includes a prospective member.

mixed strategy An investment strategy that includes both accessible financial products and other financial products.

open accessible financial product An accessible financial product for which a trustee will accept new instructions from a member to acquire that product for the member for the first time.

particular financial product All the financial products issued by a person or the person's related bodies corporate.

PDS A product disclosure statement as defined in s761A of the Corporations Act, including a short-form PDS.

provider Has the same meaning as 'trustee'.

provider's accessible product PDS A product disclosure statement for the accessible financial product that the provider has prepared.

Note: This is a definition in s1013FB of the Corporations Act: see [CO 06/636].

reg 7.9.14A (for example) A reference to a regulation from the Corporations Regulations 2001 (in this example numbered 7.9.14A).

regulated acquisition In general terms, an acquisition of an accessible financial product by the trustee on the instruction of a member under a custodial arrangement.

Note: The precise definition is in s1012IA of the Corporations Act.

RG 148 (for example) A regulatory guide (in this example numbered 148).

s1012IA (for example) A section of the Corporations Act (in this example numbered 1012IA).

short-form PDS Has the meaning given in s761A of the Act, as modified by reg 7.9.61AA of the Corporations Regulations 2001.

SIS Act *The Superannuation Industry (Supervision) Act 1993*.

SIS reg 4.02 (for example) A reference to a regulation from the Superannuation Industry (Supervision) Regulations 1994 (in this example numbered 4.02).

SIS Regulations The Superannuation Industry (Supervision) Regulations 1994.

SIS requirements The SIS Act together with the SIS Regulations.

superannuation fund Has the meaning given in s10(1) of the SIS Act.

superannuation entity's PDS A product disclosure statement for a superannuation product.

Note: This is a definition in s1013FB of the Corporations Act: see [CO 06/636].

superannuation entity Has the meaning given in s10 of the SIS Act.

Note: This includes a superannuation fund.

supplementary PDS A product disclosure statement as defined in s1014A of the Corporations Act, including a supplementary short-form PDS.

trustee The trustee of a superannuation entity.

trustee's accessible product PDS Has the same meaning as 'provider's accessible product PDS'.

you The trustee of a superannuation entity.

Related information

RG 184.195

Headnotes

Superannuation; superannuation fund; superannuation entity; trustee; member; investment strategy; product disclosure; product disclosure statement (PDS); accessible product PDS; superannuation entity's PDS; trustee's accessible product PDS; issuer's accessible product PDS; integrated PDS; closed product; open product; product issuer; accessible financial product; relief; consequential relief; additional acquisitions

Class orders

[CO 06/636] *Superannuation: Delivery of product disclosure for investment strategies*

[CO 03/1097] *Deferral of s1012IA*

[CO 02/294] *Investor directed portfolio services*

[CO 02/296] *Investor directed portfolio-like schemes offered through a registered managed investment scheme*

Regulatory guides

RG 97 *Enhanced fee disclosure regulations: Questions and answers*

RG 148 *Investor directed portfolio services*

RG 168 *Disclosure: Product Disclosure Statements (and other disclosure obligations)*

RG 182 *Dollar disclosure*

Legislation

Corporations Act 2001 (Cth) Pt 7.9, s1012D, 1012IA, 1013D, 1013E, 1013F, 1013L, *Corporations Regulations 2001* (Cth) reg 7.1.04A, 7.9.14A, 7.9.61AA; *Superannuation Industry (Supervision) Act 1993* (Cth) Pt 6, s10, 52, *Superannuation Industry (Supervision) Regulations 1994* (Cth) reg 4.02

Consultation papers

CP 56 *Superannuation: Delivery of Superannuation Product Disclosure and Investment Choice*, November 2004

Information releases

[IR 04/57] *ASIC consults on delivery of superannuation product disclosure for investment strategy choice*

Frequently asked questions

[QFS 137] *What information about investment choice must a trustee of a superannuation fund include in its Product Disclosure Statement?*, February 2004

[QFS 144] *Does a regulated person need to actively notify clients of the availability of information that would have been included in a Product Disclosure Statement in order to rely on s1012D(2)?*, June 2004