



**ASIC**

Australian Securities & Investments Commission

CONSULTATION PAPER 213

# Greyhound racing and breeding syndicate schemes

July 2013

## About this paper

This consultation paper sets out ASIC's proposals for relief to allow interests in certain small-scale greyhound racing and breeding syndicate schemes to be offered without complying with the licensing, product disclosure, hawking and managed investment provisions of the *Corporations Act 2001* (Corporations Act).

We seek the views of syndicate operators and promoters, investors, consumer groups and other interested parties on our proposals.

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Document history

This paper was issued on 23 July 2013 and is based on the Corporations Act as at the date of issue.

### Disclaimer

The proposals, explanations and examples in this paper do not constitute legal advice. They are also at a preliminary stage only. Our conclusions and views may change as a result of the comments we receive or as other circumstances change.

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## The consultation process

You are invited to comment on the proposals in this paper, which are only an indication of the approach we may take and are not our final policy.

As well as responding to the specific proposals and questions, we also ask you to describe any alternative approaches you think would achieve our objectives.

We are keen to fully understand and assess the financial and other impacts of our proposals and any alternative approaches. Therefore, we ask you to comment on:

- the likely compliance costs;
- the likely effect on competition; and
- other impacts, costs and benefits.

Where possible, we are seeking both quantitative and qualitative information. We are also keen to hear from you on any other issues you consider important.

Your comments will help us develop our policy on the regulation of greyhound racing and breeding syndicate schemes. In particular, any information about compliance costs, impacts on competition and other impacts, costs and benefits will be taken into account if we prepare a Regulation Impact Statement: see Section C, 'Regulatory and financial impact'.

### Making a submission

We will not treat your submission as confidential unless you specifically request that we treat the whole or part of it (such as any financial information) as confidential.

Comments should be sent by 27 August 2013 to:

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**What will happen next?**

<b>Stage 1</b>	23 July 2013	ASIC consultation paper released
<b>Stage 2</b>	27 August 2013	Comments due on the consultation paper
	November 2013	Signing memoranda of understanding with controlling bodies
<b>Stage 3</b>	Early 2014	Relief instrument and related documents released

## A Background to the proposals

### Key points

ASIC has been asked to consider granting class order relief from certain provisions of the Corporations Act to greyhound racing and breeding syndicates that are managed investment schemes under Ch 5C.

We have previously granted relief to horse racing schemes relying on a co-regulation arrangement between ASIC and horse racing industry regulators.

We consider that a co-regulation arrangement may also be usefully established for small-scale greyhound racing and breeding syndicate schemes, so that relief could be provided for these schemes, subject to an appropriate co-regulatory framework and certain conditions.

### Proposed relief for greyhound racing and breeding syndicate schemes

- 1 Greyhound racing and breeding syndicate schemes involve people contributing money or the use of a greyhound they own in common with others for the right to benefits from a scheme. Under the scheme, the greyhound is maintained and used to produce financial benefits from prize money won by racing the greyhound, or from the sale of the greyhound or its offspring. In some cases, the contributors do not have day-to-day control over the use of the greyhound as this function is performed by a subset of the contributors or a syndicate manager. Such arrangements may be managed investment schemes under Ch 5C of the *Corporations Act 2001* (Corporations Act).
- 2 Greyhound racing and breeding syndicates that are managed investment schemes are regulated by certain provisions of the Corporations Act. Interests in these schemes are generally financial products unless a syndicate has no more than 20 members and is promoted by a person who (including their associates) is not carrying on a business of promoting managed investment schemes.
- 3 Because the interests are financial products, the syndicate operator will generally be required to hold an Australian financial services (AFS) licence authorising it to carry on a business of issuing interests in the scheme. If interests in the scheme are issued to retail clients, a Product Disclosure Statement (PDS) may need to be given. In addition, because the scheme meets the requirements for a managed investment scheme under Ch 5C of the Corporations Act, the scheme operator must register the scheme and comply with the managed investment provisions.
- 4 We have been asked to consider granting relief to greyhound racing and breeding syndicate schemes from these provisions of the Corporations Act.

## Current relief for horse racing and breeding schemes

- 5 We have previously granted class order relief to horse racing and breeding schemes from certain requirements of the Corporations Act. In particular, ASIC has granted class order relief to horse racing schemes from the managed investment scheme registration requirement under co-regulation arrangements. These arrangements are set out in Regulatory Guide 91 *Horse racing and breeding schemes* (RG 91).
- 6 Our relief recognises that co-regulation arrangements are a more appropriate form of regulation for small-scale horse racing schemes.
- 7 Horse racing schemes with no more than 20 members and subscription funds not exceeding \$250,000 are eligible for relief under the co-regulation arrangements. Under these arrangements, certain horse racing clubs are approved as lead regulators by ASIC.
- 8 While ASIC performs regulatory functions through our licensing role and by overseeing the lead regulators' activities, these lead regulators assume regulatory functions by:
- (a) maintaining a register of all promoters of horse racing schemes to which the co-regulation arrangements apply. This includes giving ASIC the name of any promoter who has been removed from the register because of a failure by the promoter to comply with the lead regulators' rules on the promotion and operation of horse racing schemes;
  - (b) overseeing new schemes by approving the agreements that establish the scheme and monitoring the advertising of the scheme, as well as ensuring that a promoter's PDS contains the required information;
  - (c) overseeing ongoing schemes by ensuring that the promoters and managers of the schemes lodge their reports and accounts, dealing with complaints and referring cases to ASIC that may involve breaches of the Corporations Act or AFS licence conditions; and
  - (d) implementing adequate surveillance, enforcement and disciplinary procedures, including in relation to unlawful offerings by promoters who are not regulated by the lead regulator.

## Greyhound racing and breeding in Australia

- 9 There are currently around 71 greyhound racing clubs in Australia. In 2011, about 38,380 races were held, attended by close to half a million people. Stakeholder money involved was approximately \$83 million.
- 10 The industry of greyhound racing (and breeding) in Australia is subject to a governance structure similar to that of horse racing and breeding. In particular, a controlling body is set up in each state or territory by enabling

Acts, which empower these bodies to make rules for greyhound racing—including, for example:

- (a) licensing of the ownership and/or training of greyhounds;
- (b) registration of greyhound racing clubs;
- (c) rules for race meetings;
- (d) welfare of the racing greyhounds;
- (e) handling of complaints related to race meetings; and
- (f) imposition of penalties and sanctions for breaching the rules.

- 11 Consistency and uniformity of the rules and regulations between different jurisdictions (i.e. states and territories) are promoted through membership of the national industry representative, Greyhounds Australasia. Greyhounds Australasia is a not-for-profit organisation whose charter is to ‘support the jurisdictions via encouragement of a holistic approach to the Australasian greyhound racing industry and creating uniformity with the brand’. For a copy of the draft rules currently proposed by Greyhounds Australasia in the context of the proposals in this paper, go to [www.galtd.org.au](http://www.galtd.org.au).
- 12 The board of directors of Greyhounds Australasia is made up of a director from each of the jurisdictional controlling bodies. Greyhounds Australasia administers a set of rules that apply to its members—the Greyhounds Australasia Rules—which are subject to review every 12 months. New rules are adopted (including rule amendments) through a process that requires a minimum of 66% of the votes cast by Greyhounds Australasia’s board of directors.
- 13 Greyhounds Australasia has submitted to ASIC that its members generally formulate their jurisdictional rules based on the Greyhounds Australasia Rules, although members are empowered to make other rules and regulations.

## Our proposals for relief

- 14 We consider that, subject to conditions, class order relief from certain provisions of the Corporations Act may be appropriate for small-scale greyhound racing and breeding syndicate schemes: see Section B. Our proposals take into account:
- (a) our general policy on relief;
  - (b) the relatively small scale of operation and low financial exposure for participants in these schemes;
  - (c) the mostly non-investment character of these schemes; and
  - (d) the existence of adequate alternative regulation in the role of the controlling bodies.



## Our general policy on relief

- 15 In Regulatory Guide 51 *Applications for relief* (RG 51), we state that when considering new policy relief such as the relief we are currently proposing, we will weigh the commercial benefit against any net regulatory benefit or detriment that would flow from granting the relief under the proposed conditions: see RG 51.44.
- 16 We will generally grant relief where:
- (a) we consider that there is a net regulatory benefit; or
  - (b) the regulatory detriment is minimal and is clearly outweighed by the resulting commercial benefit.
- 17 In addition to the overarching principles for relief in RG 51, we have stated in other regulatory guides that we will consider relief from the requirements to register a managed investment scheme under Ch 5C, to hold an AFS licence and to provide disclosure under Pt 7.9 to address atypical or unforeseen circumstances and unintended consequences of the relevant laws.
- 18 Specifically, we will consider giving relief from the scheme registration requirements in Ch 5C if:
- (a) strict compliance with the law would be impossible or disproportionately burdensome;
  - (b) people acquiring or holding interests in the scheme would still have the protection that they were intended by Parliament to have; and
  - (c) there would be commercial benefit for the parties to the scheme: see Regulatory Guide 136 *Managed investments: Discretionary powers and closely related schemes* (RG 136).
- 19 In relation to licensing and disclosure relief, we will only exercise our powers to give relief in a way that is consistent with Parliamentary intention: see Regulatory Guide 167 *Licensing: Discretionary powers* (RG 167) and Regulatory Guide 169 *Disclosure: Discretionary powers* (RG 169).
- 20 One consideration for licensing relief is whether the predominant purpose of the product is a financial product purpose. We will also consider giving relief from the licensing and disclosure requirements on the basis of adequate alternative regulation.

## Small scale

- 21 Compared to the horse racing and breeding industry, the greyhound racing and breeding industry is generally smaller in terms of public participation and the amounts of money involved. We have been advised that greyhound racing and breeding syndicates are generally of a smaller scale, with the typical cost of a greyhound pup ranging between \$1,500 and \$3,000. Therefore, participants of these schemes are exposed to a relatively lower financial risk. Conversely,

relative to funds invested, the costs of compliance with the Corporations Act may be more burdensome than for most other managed investment schemes.

- 22 For details of what we propose to consider as a small-scale scheme for the purposes of our relief, see proposal B1.

### **Non-investment character**

- 23 Given the inherent uncertainties in greyhound racing and breeding, it would be apparent to participants in these schemes that obtaining any financial reward from participation would be speculative. The predominant purpose of a greyhound racing and breeding syndicate scheme, or an investment in such a scheme, is generally not for a financial product purpose, unlike an investment in a traditional managed investment scheme that invests, for example, in property, mortgages or financial assets. This is a consideration supporting relief as set out in RG 167.11A–RG 167.11B. We believe that for many participants the intrinsic value of owning a racing greyhound and being active in the sport would be an important consideration, rather than primarily the expectations about risk and returns that are relevant to investments generally.

- 24 We acknowledge that the nature of the operation of greyhound racing and breeding syndicate schemes is also likely to be different from a typical managed investment scheme. The essential skills and expertise required to operate these schemes, as well as the risks involved, are significantly different and suggest that specialised regulation and supervision may be appropriate.

- 25 For details of our proposals for disclosure, dispute resolution mechanisms and public offer advertising under our relief, see proposals B5–B7.

### **Adequate alternative regulation**

- 26 We recognise that the state and territory controlling bodies that govern greyhound racing and breeding syndicate schemes may be well placed to perform a regulatory role for these schemes, given that they are close to the industry, have knowledge of the industry and are able to focus resources on the regulation of the schemes. These factors potentially allow greater effectiveness and efficiency in carrying out a co-regulatory function as part of their roles, compared to ASIC having the sole regulatory role.

- 27 For details of the proposed co-regulation arrangement under our relief, see proposals B2–B3.

## B Our proposals

### Key points

We propose to give class order relief to small-scale greyhound racing and breeding syndicate schemes from the requirements to:

- hold an Australian financial services (AFS) licence (see proposal B1);
- register a scheme under Ch 5C of the Corporations Act (so that syndicate operators would not be subject to the managed investment provisions) (see proposal B1);
- give disclosure in a Product Disclosure Statement (PDS) under Pt 7.9 (see proposal B1); and
- comply with the prohibition on unsolicited meetings, where the meeting is at a greyhound racing track (see proposal B4).

We propose that under this relief:

- regulation would be shared between ASIC and jurisdictional controlling bodies (see proposal B2);
- the jurisdictional controlling bodies would administer rules that broadly satisfy the criteria for adequate alternative regulation (see proposal B4);
- although the disclosure requirements under Pt 7.9 would not apply, syndicate operators would be required to give offerees a disclosure document approved by the relevant controlling body, and provide members with regular statements that are broadly based on a periodic statement under s1017D (see proposal B5); and
- syndicate operators would be required to maintain internal and external dispute resolution mechanisms (see proposal B6).

We propose that, where an offer of interests in a greyhound racing or breeding syndicate scheme is publicly advertised, relief would be available only if this advertising meets certain restrictions: see proposal B7.

## Relief for small-scale schemes

### Proposal

- B1** We propose to give class order relief from the relevant managed investment, licensing and product disclosure provisions in Ch 5C and Pts 7.6 and 7.9 of the Corporations Act, and limited relief from the hawking provisions in s992AA, to small-scale greyhound racing and breeding syndicate schemes involving a specified greyhound or greyhounds that are to be owned by the participants. We would consider a scheme to be small scale if:
- (a) the syndicate operator has raised from members (on becoming a member or subsequently) not more than \$2 million in total under all

greyhound racing or breeding syndicate schemes to which the relief applies that the operator operates in any 12-month period; and

- (b) each scheme:
- (i) has 20 or fewer members calculated on the same basis as in s601ED(4) of the Corporations Act;
  - (ii) does not involve raising from members (on becoming a member or subsequently) more than \$150,000 in total; and
  - (iii) is governed by an agreement that includes these restrictions.

#### *Your feedback*

- B1Q1 Do you agree that relief from the relevant managed investment, licensing, product disclosure and hawking provisions of the Corporations Act should be provided to small-scale greyhound racing and breeding syndicate schemes? If not, why not?
- B1Q2 Do you agree with what we consider to be a small-scale scheme for the purposes of determining whether this relief should apply?
- B1Q3 What would be the cost for a typical greyhound racing or breeding syndicate scheme of complying with each of the relevant (managed investment, licensing and product disclosure) provisions?
- B1Q4 What would be the benefits to participants of the scheme complying with each of these provisions?

## **Rationale**

- 28 Small-scale greyhound racing and breeding syndicate schemes involve a small amount of money in total and are part of a business that is not large in scale. In light of this low financial exposure, the costs of complying with the relevant requirements under the Corporations Act (e.g. meeting financial requirements, maintaining a compliance plan, carrying out the required audits and producing PDSs) may be burdensome. We consider that it may be unreasonable to impose this burden if these schemes are subject to adequate alternative regulation by the jurisdictional controlling bodies.
- 29 We propose to set the monetary cap at \$2 million per operator per year, as well as \$150,000 per scheme, because we consider some compliance costs are not specific to a scheme but apply to the operator, such as the costs of obtaining and maintaining an AFS licence. The cap provides a measure of potential benefit against which costs can be considered. If a greyhound racing and breeding syndicate scheme is larger in scale, the costs of an AFS licence may not be disproportionate. The proposed cap is also comparable to s1012E, which uses raising \$2 million as one of the criteria for determining the appropriateness of an exemption from the PDS requirements.

- 30 The limit of 20 members per scheme reflects the threshold in s601ED(1)(a) and 1012E of the Corporations Act.

## Co-regulation with controlling bodies

### Proposal

- B2 We propose that our relief would be based on a co-regulation arrangement with jurisdictional controlling bodies so that relief would be restricted to schemes that are registered with, and submit to the regulation of, a controlling body recognised by ASIC: see Table 1 and proposal B3.

#### *Your feedback*

- B2Q1 Do you consider there to be any practical issues with the proposed co-regulation arrangement? If so, what are they?

**Table 1: Proposed co-regulation arrangement**

Area	Description
Registration of operators and schemes	The controlling body would need to have a process in place for registering each operator and scheme.
Disclosure documents	The controlling body would need to have a process in place for approving the content of and lodging disclosure documents from scheme operators that would replace PDSs: see proposal B5.
Reporting of breaches	The controlling body would need to sign a memorandum of understanding with ASIC and agree to report to ASIC on a regular basis any significant breaches of its rules or regulations (and the resolution or the sanction imposed as a result) by the syndicate operator of any schemes registered with the controlling body, or any other greyhound racing and breeding syndicate schemes of which it is aware. In addition, the controlling body would need to agree, in that event, to take appropriate action within its power.
Exclusion of operators	ASIC would have power to exclude a scheme operator from the class order relief if appropriate.

### Rationale

- 31 A co-regulation arrangement would take advantage of the influential position controlling bodies have in the regulation of greyhound racing and breeding syndicate schemes. The controlling bodies would have the primary function of regulating these schemes, subject to supervision by ASIC.

- 32 If a syndicate operator does not comply with the requirements for relying on the class order relief, it must comply with the Corporations Act, including the licensing, registration and disclosure requirements. Under the co-regulation arrangement, we would rely on the expertise and diligence of the relevant controlling bodies to ensure that greyhound racing syndicates (over which they can exert influence) comply with the requirements for exemption, or the provisions of the Corporations Act that apply if the exemption does not.
- 33 However, we retain the power to take regulatory action, such as excluding a syndicate operator from class order relief if appropriate (e.g. where an operator breaches the rules of the controlling body). Nothing in the proposed relief removes ASIC's power to take action, including criminal proceedings where applicable, against any contravention of the Corporations Act.

## Recognition of controlling bodies

### Proposal

- B3** We propose to recognise a controlling body for the purposes of our relief only if it:
- (a) is a member of Greyhounds Australasia;
  - (b) has rules that constitute adequate alternative regulation (see proposal B4);
  - (c) has satisfied ASIC that it has the capacity and adequate policies and procedures to administer its rules effectively;
  - (d) has signed a memorandum of understanding with ASIC; and
  - (e) has not been notified by ASIC that it is not a recognised controlling body for the purposes of the proposed relief.

Recognition of the controlling body for the purposes of our relief would be in force only while the body agrees to and demonstrates that it can meet our expectations of a controlling body under the relief: see Table 1 under proposal B2.

#### *Your feedback*

B3Q1 Do you agree with the criteria for recognition of a controlling body for the purposes of our relief?

B3Q2 If not, what criteria do you propose for this purpose?

### Rationale

- 34 Controlling bodies must have consistent rules to ensure that syndicate operators are subject to consistent regulation, regardless of the state or territory in which they are based. Membership of Greyhounds Australasia would help to ensure consistency in the rules across different jurisdictional controlling bodies.

- 35 ASIC and Greyhounds Australasia envisage that, if relief is granted, new rules relevant to the relief would be incorporated into the Greyhounds Australasia Rules. The jurisdictional controlling bodies would then adopt these new rules into their own rules and enforce these rules under memoranda of understanding between them and ASIC. These rules should constitute adequate alternative regulation for the purposes of our relief.
- 36 Given the regulatory role of a controlling body under a co-regulation arrangement, controlling bodies would need to have the capacity as well as appropriate policies and procedures in place to give effect to these rules.
- 37 We will make the terms of the memoranda of understanding publicly available. We consider that such information should also be disclosed on the website of the relevant disclosing entity. A jurisdictional controlling body may be notified by ASIC that it has ceased to be a recognised controlling body for the purposes of the proposed relief in certain circumstances, including if the controlling body fails to adopt and/or enforce the relevant rules.

## Rules of controlling bodies

### Proposal

- B4** We propose that our relief would be based on controlling bodies having rules that broadly satisfy the criteria in RG 167.11C and RG 169.10C, as well as the key elements of s601FC of the Corporations Act, except for:
- (a) the limitations on hawking of products by service providers to retail clients (see RG 169.10C(f)); and
  - (b) the requirement for adequate alternative regulation to include requirements for compliance and risk management practices by service providers (see RG 167.11C(c)).

#### *Your feedback*

- B4Q1 Do you agree with the proposed requirements for the relevant rules?
- B4Q2 Are there other aspects that these rules should address? If so, what are they?
- B4Q3 Do you agree that rules should not be required to address hawking or compliance and risk management practices specifically? If not, why not?

### Rationale

- 38 Our strategic objectives of consumer protection would be achievable under a co-regulation arrangement only if a recognised controlling body's role as a co-regulator is supported by adequate rules and regulations.

- 39 We consider that these rules should broadly satisfy the criteria set out in RG 167.11C and RG 169.10C, as well as the key elements of s601FC of the Corporations Act, so that the regulation by controlling bodies may constitute adequate alternative regulation for relief. See Appendix 1 of this paper for a summary of how these rules might provide adequate alternative regulation in particular circumstances. A copy of the draft rules currently proposed by Greyhounds Australasia is available on its website at [www.galtd.org.au](http://www.galtd.org.au).

### **Hawking**

- 40 Interests in greyhound racing and breeding syndicate schemes are subject to the hawking prohibitions under s992AA of the Corporations Act because they are regulated financial products. Although we consider the hawking prohibitions should apply to these interests, we think it may be reasonable for syndicate operators to have spontaneous discussions about (or to promote) greyhound racing and breeding syndicates at greyhound racing venues when people who are interested in greyhound racing attend a race. On this basis, we would support relief from the hawking prohibitions in s992AA so that syndicate operators are allowed to have unsolicited meetings to offer interests in their syndicates—limited only to meetings with people who attend a greyhound racing venue at or around the time of a race, if not prohibited by the rules of the venue and subject to the requirement in the rules that the promoter acts honestly, efficiently and fairly.
- 41 We think that the promotion of interests in greyhound racing and breeding syndicate schemes to people who are interested in the sport is less likely to be viewed as intrusive or to result in pressure sales, and that relief would therefore not be inconsistent with the intention that underpins the prohibitions in s992AA.

### **Compliance and risk management practices**

- 42 In light of the unsophisticated nature and the small scale of the relevant greyhound racing and breeding syndicate schemes and operators, we think it may be disproportionately costly for these schemes to have comprehensive risk and compliance management policies and procedures in place as they are likely to have fewer complex risks compared to a traditional managed investment scheme.

## **Disclosure to offerees and members**

### **Proposal**

- B5** We propose that under our relief, syndicate operators would not need to give offerees a PDS or comply with any ongoing disclosure requirements under the Corporations Act. Instead, they would be required to:



- (a) give offerees a disclosure document that is approved by the relevant controlling body (in place of a PDS); and
- (b) provide a statement to members (at least annually and when the syndicate ends) including information on money contributed by members, expenses, winnings distributed to members and the closing balance (in place of a periodic statement under s1017D).

#### *Your feedback*

- B5Q1 Do you agree that the proposed disclosure document could be provided to offerees, or do you think that offerees should receive a full PDS, despite the small scale and nature of greyhound racing and breeding syndicate schemes? If so, why?
- B5Q2 Do you consider the proposed statement is sufficient for ongoing disclosure (in place of a periodic statement under s1017D)?
- B5Q3 What would be the costs and benefits of compliance with the proposed requirements?
- B5Q4 What would be the costs and benefits of compliance without relief?

## **Rationale**

- 43 The proposed requirement that syndicate operators give offerees a disclosure document approved by a recognised controlling body, and ongoing disclosure that is broadly based on a periodic statement under s1017D, aims to strike a balance between the need for offerees and members to be informed and the possibly burdensome requirement that syndicate operators would otherwise have to prepare and give offerees and members a PDS and other ongoing disclosure.
- 44 ASIC and Greyhounds Australasia envisage that templates for the disclosure document would be developed (in accordance with the Greyhounds Australasia Rules) so that the content of this document would be consistent across the jurisdictions of the different controlling bodies.
- 45 Greyhounds Australasia has submitted a draft disclosure document to ASIC that is available at [www.galtd.org.au](http://www.galtd.org.au). See Appendix 2 of this paper for a comparison of the content of the proposed disclosure document with the requirements that apply to a PDS under the Corporations Act. We note that, compared with a PDS, the draft disclosure document may appear to have less information on:
- (a) the significant benefits that a holder of the product will be entitled to, including when and how those benefits will or may be provided;
  - (b) some significant risks associated with holding the product; and
  - (c) the significant characteristics of the product.

- 46 Information in the disclosure document on benefits is limited to the distribution of winnings. We think this is sufficient because, given the speculative nature of greyhound racing, accurate information on when and how the benefit might be provided to members may not be possible.
- 47 Information on significant characteristics focuses mainly on the greyhound(s), instead of on an interest in the scheme. Disclosure of significant risks is limited to the fact that participation in greyhound racing and breeding is speculative in nature. We think that the focus of the disclosure is relevant and reasonable, given the primary purpose of participation in these schemes is the intrinsic reward of owning and racing a greyhound.
- 48 We are unsure whether the usual information on significant benefits, risks and characteristics of the product under the Corporations Act would be necessary, useful or expected by offerees. In light of the small scale of the schemes expected to operate under the relief, it is likely that full compliance with these requirements would be disproportionately burdensome. Requiring a PDS could diminish the benefits of the relief.

## Dispute resolution

### Proposal

- B6** We propose that under our relief:
- (a) operators of greyhound racing and breeding syndicate schemes would be required to maintain an internal dispute resolution (IDR) mechanism but would be exempt from the requirement to be a member of an ASIC-approved external dispute resolution (EDR) scheme; and
  - (b) the relevant controlling body for the scheme would have a formal role to hear syndicate member complaints.

#### *Your feedback*

- B6Q1 Should full compliance with the requirements for dispute resolution under an AFS licence be required? If so, why?
- B6Q2 Should our relief exempt these schemes from dispute resolution requirements entirely? If so, why?
- B6Q3 Are there other alternative dispute resolution requirements that should apply?
- B6Q4 What would be the costs of complying with:
- (a) the proposed requirements for internal and external dispute resolution mechanisms in this proposal; or
  - (b) any alternative requirements that you propose under B6Q3?

B6Q5 Should we exclude from compliance all schemes for which no more than \$30,000 is raised? What would be the costs of compliance for larger syndicates?

## Rationale

- 49 We think it would be beneficial for participants in greyhound racing and breeding syndicate schemes to have access to internal and external dispute resolution mechanisms. The advantage of our proposal is that it builds on the existing complaints handling role and procedures of controlling bodies. Therefore, it is unlikely to involve extensive set-up costs.
- 50 We do not expect the IDR mechanism for the relevant scheme to be elaborate. However, the arrangements should include processes to:
- (a) acknowledge a complaint within a specific timeframe;
  - (b) allow the complaint to be considered fairly;
  - (c) record the decision and the reasons for the decision;
  - (d) communicate the decision to the relevant parties; and
  - (e) facilitate an internal review of the decision.

## Public offer advertising

### Proposal

- B7 We propose that, where an offer of interests in a greyhound racing or breeding syndicate scheme is publicly advertised, our relief would be available only if this advertising is restricted to:
- (a) websites operated by the syndicate operator or a person carrying on a business relating to greyhounds; and
  - (b) other publications (including via the internet, press, television or radio), where the relevant part of the publication relates to the greyhound industry or racing industry generally.

#### *Your feedback*

- B7Q1 Should relief be available only to greyhound racing and breeding syndicate schemes that are of a private nature (i.e. schemes that are not publicly advertised and where offers of interests in these schemes are personal offers)? If not, why not?
- B7Q2 Should public advertising be restricted? If not, why not?
- B7Q3 Are the proposed restrictions on public advertising adequate and practical?

## Rationale

- 51 We acknowledge that, if the relevant schemes are subject to adequate alternative regulation, and offerees and members are sufficiently informed by a disclosure document and annual statements, a restriction on relief that the schemes must be of a private nature may be unnecessary.
- 52 However, we consider that restrictions on public advertising of the schemes, as proposed, would mean that offers of interests in the relevant schemes are likely to be limited to personal offers or to people who have some form of participation in the sport/industry (and therefore to people who have some knowledge of it). This would be consistent with the rationale that underpins the framework for the proposed relief.
- 53 One of the reasons that ASIC supports the relief is the non-investment character of the product—that is, people investing in a greyhound racing and breeding syndicate scheme do so primarily for the intrinsic value of owning a racing greyhound and of being involved in the sport. People who have had no participation in the sport or industry are more likely to be investing in such schemes as a financial product. Unrestricted advertising, including targeting people outside the greyhound racing community, is likely to result in investment in greyhound racing and breeding syndicate schemes in a manner that is inconsistent with the basis of the proposed relief.
- 54 Our proposed restrictions on public advertising would also reduce the risk of people who have no knowledge of the industry participating in a scheme without an appreciation of the speculative nature of any possible financial gains.

## C Regulatory and financial impact

- 55 In developing the proposals in this paper, we have carefully considered their regulatory and financial impact. On the information currently available to us we think they will strike an appropriate balance between:
- (a) promoting informed and confident investor participation in greyhound racing and breeding syndicate schemes; and
  - (b) the potential burden on syndicate operators of complying with the obligations that the Corporations Act normally imposes on a managed investment scheme and its operator, in light of the small scale and non-investment nature of the schemes.
- 56 Before settling on a final policy, we will comply with the Australian Government's regulatory impact analysis (RIA) requirements by:
- (a) considering all feasible options, including examining the likely impacts of the range of alternative options which could meet our policy objectives;
  - (b) if regulatory options are under consideration, notifying the Office of Best Practice Regulation (OBPR); and
  - (c) if our proposed option has more than minor or machinery impact on business or the not-for-profit sector, preparing a Regulation Impact Statement (RIS).
- 57 All RISs are submitted to the OBPR for approval before we make any final decision. Without an approved RIS, ASIC is unable to give relief or make any other form of regulation, including issuing a regulatory guide that contains regulation.
- 58 To ensure that we are in a position to properly complete any required RIS, please give us as much information as you can about our proposals or any alternative approaches, including:
- (a) the likely compliance costs;
  - (b) the likely effect on competition; and
  - (c) other impacts, costs and benefits.
- See 'The consultation process', p. 4.

## Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services  Note: This is a definition contained in s761A.
compliance plan	The compliance plan required by s601HA
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
EDR scheme	An external dispute resolution scheme approved by ASIC under the Corporations Act (see s912A(2)(b) and 1017G(2)(b)) and/or the National Credit Act (see s11(1)(a)) in accordance with our requirements in RG 139
financial requirements	The requirements under s912A(1)(d) of the Corporations Act to have adequate resources to provide the relevant financial services
Greyhounds Australasia (GA)	Greyhounds Australasia Limited (ACN 106 879 903)
hawking provisions	The prohibition on unsolicited meetings and phone calls under s992A of the Corporations Act
IDR	Internal dispute resolution
licensing provisions	The requirement to hold an AFS licence under s911A of the Corporations Act and the obligations applying to licensees under the Act
managed investment provisions	The requirement to register a managed investment scheme under s601ED of the Corporations Act and the obligations applying in relation to managed investment schemes under Ch 5C
managed investment scheme	A scheme that is a managed investment scheme as defined in s9 of the Corporations Act
product disclosure provisions	The requirement to give a PDS and other requirements of Pt 7.9 of the Corporations Act
Product Disclosure Statement (PDS)	A document that must be given to a retail client in relation to the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act  Note: See s761A for the exact definition.
promoter	A person who offers to sell, or invites people to buy, interests in a managed investment scheme

RG 51 (for  
example)

An ASIC regulatory guide (in this example numbered 51)

s992AA (for  
example)

A section of the Corporations Act (in this example numbered  
992AA)

## List of proposals and questions

Proposal	Your feedback
<p>B1 We propose to give class order relief from the relevant managed investment, licensing and product disclosure provisions in Ch 5C and Pts 7.6 and 7.9 of the Corporations Act, and limited relief from the hawking provisions in s992AA, to small-scale greyhound racing and breeding syndicate schemes involving a specified greyhound or greyhounds that are to be owned by the participants. We would consider a scheme to be small scale if:</p> <p>(a) the syndicate operator has raised from members (on becoming a member or subsequently) not more than \$2 million in total under all greyhound racing or breeding syndicate schemes to which the relief applies that the operator operates in any 12-month period; and</p> <p>(b) each scheme:</p> <p>(i) has 20 or fewer members calculated on the same basis as in s601ED(4) of the Corporations Act;</p> <p>(ii) does not involve raising from members (on becoming a member or subsequently) more than \$150,000 in total; and</p> <p>(iii) is governed by an agreement that includes these restrictions.</p>	<p>B1Q1 Do you agree that relief from the relevant managed investment, licensing, product disclosure and hawking provisions of the Corporations Act should be provided to small-scale greyhound racing and breeding syndicate schemes? If not, why not?</p> <p>B1Q2 Do you agree with what we consider to be a small-scale scheme for the purposes of determining whether this relief should apply?</p> <p>B1Q3 What would be the cost for a typical greyhound racing or breeding syndicate scheme of complying with each of the relevant (managed investment, licensing and product disclosure) provisions?</p> <p>B1Q4 What would be the benefits to participants of the scheme complying with each of these provisions?</p>
<p>B2 We propose that our relief would be based on a co-regulation arrangement with jurisdictional controlling bodies so that relief would be restricted to schemes that are registered with, and submit to the regulation of, a controlling body recognised by ASIC: see Table 1 and proposal B3.</p>	<p>B2Q1 Do you consider there to be any practical issues with the proposed co-regulation arrangement? If so, what are they?</p>



Proposal	Your feedback
<p>B3 We propose to recognise a controlling body for the purposes of our relief only if it:</p> <ul style="list-style-type: none"> <li>(a) is a member of Greyhounds Australasia;</li> <li>(b) has rules that constitute adequate alternative regulation (see proposal B4);</li> <li>(c) has satisfied ASIC that it has the capacity and adequate policies and procedures to administer its rules effectively;</li> <li>(d) has signed a memorandum of understanding with ASIC; and</li> <li>(e) has not been notified by ASIC that it is not a recognised controlling body for the purposes of the proposed relief.</li> </ul> <p>Recognition of the controlling body for the purposes of our relief would be in force only while the body agrees to and demonstrates that it can meet our expectations of a controlling body under the relief: see Table 1 under proposal B2.</p>	<p>B3Q1 Do you agree with the criteria for recognition of a controlling body for the purposes of our relief?</p> <p>B3Q2 If not, what criteria do you propose for this purpose?</p>
<p>B4 We propose that our relief would be based on controlling bodies having rules that broadly satisfy the criteria in RG 167.11C and RG 169.10C, as well as the key elements of s601FC of the Corporations Act, except for:</p> <ul style="list-style-type: none"> <li>(a) the limitations on hawking of products by service providers to retail clients (see RG 169.10C(f)); and</li> <li>(b) the requirement for adequate alternative regulation to include requirements for compliance and risk management practices by service providers (see RG 167.11C(c)).</li> </ul>	<p>B4Q1 Do you agree with the proposed requirements for the relevant rules?</p> <p>B4Q2 Are there other aspects that these rules should address? If so, what are they?</p> <p>B4Q3 Do you agree that rules should not be required to address hawking or compliance and risk management practices specifically? If not, why not?</p>
<p>B5 We propose that under our relief, syndicate operators would not need to give offerees a PDS or comply with any ongoing disclosure requirements under the Corporations Act. Instead, they would be required to:</p> <ul style="list-style-type: none"> <li>(a) give offerees a disclosure document that is approved by the relevant controlling body (in place of a PDS); and</li> <li>(b) provide a statement to members (at least annually and when the syndicate ends) including information on money contributed by members, expenses, winnings distributed to members and the closing balance (in place of a periodic statement under s1017D).</li> </ul>	<p>B5Q1 Do you agree that the proposed disclosure document could be provided to offerees, or do you think that offerees should receive a full PDS, despite the small scale and nature of greyhound racing and breeding syndicate schemes? If so, why?</p> <p>B5Q2 Do you consider the proposed statement is sufficient for ongoing disclosure (in place of a periodic statement under s1017D)?</p> <p>B5Q3 What would be the costs and benefits of compliance with the proposed requirements?</p> <p>B5Q4 What would be the costs and benefits of compliance without relief?</p>

Proposal	Your feedback
<p>B6 We propose that under our relief:</p> <p>(a) operators of greyhound racing and breeding syndicate schemes would be required to maintain an internal dispute resolution (IDR) mechanism but would be exempt from the requirement to be a member of an ASIC-approved external dispute resolution (EDR) scheme; and</p> <p>(b) the relevant controlling body for the scheme would have a formal role to hear syndicate member complaints.</p>	<p>B6Q1 Should full compliance with the requirements for dispute resolution under an AFS licence be required? If so, why?</p> <p>B6Q2 Should our relief exempt these schemes from dispute resolution requirements entirely? If so, why?</p> <p>B6Q3 Are there other alternative dispute resolution requirements that should apply?</p> <p>B6Q4 What would be the costs of complying with:</p> <p>(a) the proposed requirements for internal and external dispute resolution mechanisms in this proposal; or</p> <p>(b) any alternative requirements that you propose under B6Q3?</p> <p>B6Q5 Should we exclude from compliance all schemes for which no more than \$30,000 is raised? What would be the costs of compliance for larger syndicates?</p>
<p>B7 We propose that, where an offer of interests in a greyhound racing or breeding syndicate scheme is publicly advertised, our relief would be available only if this advertising is restricted to:</p> <p>(a) websites operated by the syndicate operator or a person carrying on a business relating to greyhounds; and</p> <p>(b) other publications (including via the internet, press, television or radio), where the relevant part of the publication relates to the greyhound industry or racing industry generally.</p>	<p>B7Q1 Should relief be available only to greyhound racing and breeding syndicate schemes that are of a private nature (i.e. schemes that are not publicly advertised and where offers of interests in these schemes are personal offers)? If not, why not?</p> <p>B7Q2 Should public advertising be restricted? If not, why not?</p> <p>B7Q3 Are the proposed restrictions on public advertising adequate and practical?</p>

## Appendix 1: Comparison of proposed racing rules with current requirements

This appendix compares existing and proposed Greyhounds Australasia Rules with the current requirements in:

- (a) Regulatory Guide 167 *Licensing: Discretionary powers* (RG 167) at RG 167.11C (see Table 2);
- (b) Regulatory Guide 169 *Disclosure: Discretionary powers* (RG 169) at RG 169.10C (see Table 3); and
- (c) s601FC(1) of the Corporations Act (see Table 4).

For a copy of the draft rules currently proposed by Greyhounds Australasia (GA) in the context of the proposals in this paper, go to [www.galtd.org.au](http://www.galtd.org.au).

**Table 2: Licensing: Adequate alternative regulation**

Requirements in RG 167.11C and s912A	Greyhounds Australasia Rules
<b>RG 167.11C</b>	
(a) efficient, honest and fair service provision	<p>Under their charters, controlling bodies only license participants that they believe to be of good fame and character. This initial assessment occurs at the time the syndicator first applies to be registered.</p> <p>Draft rule 3(b)(vi) requires a police check.</p> <p>Draft rule 3(c)(iv) requires syndicate operators to declare that they have no criminal convictions.</p> <p>Draft rules 8(b) and 9(e)–(f) allow controlling bodies wide-ranging powers in relation to dealing with dishonest or improper conduct—including a breach of current rule 86 of the Greyhounds Australasia Rules (<a href="http://www.galtd.org.au/GreyhoundsAustralasia/files/GA%20Rules%202013.pdf">www.galtd.org.au/GreyhoundsAustralasia/files/GA%20Rules%202013.pdf</a>), which deals with offences (e.g. rule 86(c) relates to corrupt or improper conduct, rule 86(d) relates to making false or misleading statements, and rule 86(f) relates to offensive behaviour).</p> <p>Draft rule 11(b) requires syndicate operators to be efficient, honest and fair.</p>
(b) service provider resources and competence	<p>GA envisages that syndicate operators would be sole traders with professional services called upon on an as-needed basis, given the small-scale operation of the relevant syndications.</p> <p>GA also proposes a new rule (draft rule 3(c)(ii)) that will require syndicate operators to provide the controlling body with a statement setting out all financial arrangements as part of the registration process. The decision of the controlling body about whether to register the syndicate will be partly based on the controlling body's assessment of the financial arrangements.</p>

Requirements in RG 167.11C and s912A	Greyhounds Australasia Rules
(c) compliance and risk management practices by service providers	There are no specific rules that are relevant.
(d) initial and ongoing disclosure to retail clients about the provision of a service	<p>Draft rule 10(c)(iii) requires a disclosure document to be prepared by the syndicate operator and submitted to the controlling bodies.</p> <p>GA also envisages that a disclosure document template will be developed which will enable the controlling bodies to assess and/or approve the disclosure documents submitted by prospective syndicate operators.</p> <p>Draft rule 10(d) requires operators to give a person a disclosure document containing the disclosures in the template approved by a controlling body before accepting money for participation.</p> <p>Draft rules 5(c)(ii) and 5(c)(iv) require operators to give members periodic reports broadly similar to those required under s1017D.</p>
(e) protection of client assets	<p>The draft disclosure document template requires disclosure of each greyhound to be owned by the syndicate. GA advises that each greyhound will be registered against a particular syndicate with records of legal ownership of the greyhound by syndicate members.</p> <p>Draft rule 5(a) requires money contributed by clients to be held in a separate account until expended in accordance with the agreement.</p>
(f) financial and transaction record keeping	<p>As part of the registration process, draft rule 9(b)(ii) requires operators to give controlling bodies information on their business plan in relation to the accounts of the syndicates.</p> <p>Draft rules 5(b) and 5(c)(i) require syndicate operators to keep transaction records sufficient to enable audited accounts to be prepared, and to prepare, have audited and provide those accounts to the relevant controlling body.</p>
(g) access by retail clients to internal and external dispute resolution services	<p>Rule 90 of the Greyhounds Australasia Rules (<a href="http://www.galtd.org.au/GreyhoundsAustralasia/files/GA%20Rules%202013.pdf">www.galtd.org.au/GreyhoundsAustralasia/files/GA%20Rules%202013.pdf</a>) gives controlling bodies powers to conduct inquiries in relation to a breach of the rules.</p> <p>Draft rule 9(f) gives controlling bodies powers to impose penalties on persons who have breached the rules, including the cancellation or suspension of their registration.</p> <p>Draft rule 15 provides for controlling bodies to consider any complaints from a member in relation to a dispute with an operator, and to make a decision about the proper resolution of the complaint which will be binding on the syndicate operators.</p>
(h) the provision of any advice to retail clients on a reasonable basis	Draft rule 11(b) provides that syndicate operators must act honestly, efficiently and fairly in the promotion and operation of syndicates.

Requirements in RG 167.11C and s912A	Greyhounds Australasia Rules
<b>s912A(1)(aa)</b>	
Have adequate arrangements to manage conflicts of interest	Under the draft disclosure statement, syndicate operators must disclose any specific conflicts of interest to enable members to assess whether any conflicts may result in a breach of the syndicate operators' duties.

**Table 3: Disclosure: Adequate alternative regulation**

Requirements in RG 169.10C	Greyhounds Australasia Rules
(a) initial and ongoing product disclosure by issuers to retail clients and/or the market	<p>Draft rule 10(c)(iii) requires that a syndicate operator would prepare a disclosure document and submit it to a controlling body.</p> <p>GA also envisages that a disclosure document template will be developed for use by the controlling bodies when assessing or approving the disclosure documents submitted by prospective syndicate operators.</p> <p>The disclosure document must include, among other things:</p> <ul style="list-style-type: none"> <li>• the cost of the greyhound;</li> <li>• details of any arrangements for the maintenance and training of the greyhound;</li> <li>• information on how winnings will be distributed;</li> <li>• a statement that investors will receive periodic (e.g. yearly) statements;</li> <li>• information about the taxation position relating to participation in the scheme; and</li> <li>• a statement that the syndicate is subject to the regulation of the relevant controlling body.</li> </ul>
(b) access by retail clients to internal and external dispute resolution processes	The same rules are relevant as under RG 167.11C(g) in Table 2.
(c) access by retail clients to cooling off or similar rights to cancel acquisitions of products	The draft disclosure document template anticipates a five-day cooling-off period.
(d) transaction record keeping by issuers	The same rules are relevant as under RG 167.11C(f) in Table 2.
(e) the provision of transaction confirmation to retail clients	Draft rule 10(g) requires operators to provide confirmation of transactions to investors.
(f) limitations on the hawking of products by service providers to retail clients	Draft rules 10(a) and 10(e) reflect the scope of ASIC's proposed relief and our proposed restrictions on hawking (proposal B4) and advertising (proposal B7).

**Table 4: Obligations for responsible entities: Adequate alternative regulation**

Requirements in s601FC(1)	Greyhounds Australasia Rules
(a) act honestly	This requirement is contained in draft rules 11(b) and 4(d)(i).
(b) exercise due care and diligence	This requirement is contained in draft rule 4(d)(ii).
(c) act in the best interest of members	This requirement is contained in draft rule 4(d)(iii).
(d) treat members of the same class equally and all members fairly	This requirement is contained in draft rule 4(d)(iv).
(e) not make use of information gained as a responsible entity for self-benefit	This is sufficiently addressed by the duty to act honestly, contained in draft rules 11(b) and 4(d)(i).
(f)–(h) ensure that the scheme’s constitution and compliance plan meet requirements and are complied with	These requirements are not relevant.
(i) clearly identify scheme property and hold the property separately	The same rules are relevant as under RG 167.11C(e): see Table 2.
(j) value scheme assets at regular intervals	This requirement is not relevant.
(k) make payments out of the scheme only in accordance with the scheme constitution	<p>Draft rule 4(d)(v) requires operators to perform their duties under the agreement with members in relation to the scheme.</p> <p>The disclosure document will have specific information relating to the handling of members’ money, such as:</p> <ul style="list-style-type: none"> <li>• details of proposed ongoing expenses;</li> <li>• a statement setting out the expenses incurred by the promoter in the formation of the syndicate; and</li> <li>• a statement that the application monies will be held in a separate trust account by the promoter.</li> </ul>
(l) report any breaches to ASIC	This requirement is not relevant.
(m) carry out other duties conferred on the responsible entity by the scheme constitution	Draft rule 4(d)(v) requires operators to perform their duties under the agreement with members in relation to the scheme.

## Appendix 2: Comparison of proposed disclosure document with PDS requirements

This appendix compares Greyhounds Australasia's (GA) proposed disclosure document with the current PDS content requirements in the Corporations Act under:

- (a) s1013D(1); and
- (b) s1013E.

For a copy of the draft disclosure document currently proposed by GA in the context of the proposals in this paper, go to [www.galtd.org.au](http://www.galtd.org.au).

**Table 5: Comparing GA's proposed disclosure document with PDS content requirements**

Requirements in s1013D(1) and 1013E	Content of the draft disclosure document
<b>s1013D(1)</b>	
(a) setting out the name and contact details of the issuer of the financial product	The disclosure document contains this information.
(b) information on the significant benefits to which a holder of the product will become entitled, the circumstances in which and times at which those benefits will or may be provided and the way in which those benefits will be provided	This information is contained in clause 12.
(c) information on significant risks associated with holding the product	The disclosure document contains a statement to the effect that: <ul style="list-style-type: none"> <li>• greyhound racing is a high-risk venture and is a speculative investment; and</li> <li>• not all greyhounds offered for syndication proceed to a racing career.</li> </ul>
(d) information on: <ul style="list-style-type: none"> <li>(i) the cost of the product</li> <li>(ii) the amount that will or may be payable by holders of the product after acquisition and the timing of these payments</li> <li>(iii) any amount that will or may be deducted from the fund (scheme assets) by way of fees, expenses or charges</li> </ul>	<p>This information is contained in clauses 2, 3 and 4.</p> <p>This information is contained in clause 11.</p> <p>Information about expenses is contained in clauses 11 and 23. Disclosure of the operator's remuneration is also required.</p>
(e) any commission or similar payments that will or may impact on the return	This disclosure is not expected to apply.

Requirements in s1013D(1) and 1013E	Content of the draft disclosure document
(f) significant characteristics or features of the product, rights, terms, conditions or obligations attaching to the product	<p>Relevant disclosure is contained in clauses 1 and 2.</p> <p>The disclosure document also contains a description of the greyhound in clause 5, including:</p> <ul style="list-style-type: none"> <li>• bloodline;</li> <li>• racing performance;</li> <li>• name of the trainer;</li> <li>• kennelling arrangements;</li> <li>• valuation by a qualified valuer and a veterinary certificate; and</li> <li>• the syndicate operator's statement as to the correctness of the valuation and veterinary certificate.</li> </ul>
(g) information on dispute resolution and how holders of the product may access this system	This information is contained in clause 32.
(h) significant taxation information	This information is contained in clause 34.
(i) information on cooling off	This information is contained in clauses 26 and 27.
(j) how holders may access further information that the issuer will make available to existing or prospective product holders.	This information is contained in clause 35.
(k) other information required by regulations	This information is not relevant.
(l) labour standards, environmental, social or ethical considerations taken into account in the selection, retention or realisation of the investment	This information is not relevant.
(m) information under (b), (d) and (e) to be disclosed in dollars	The information required under (d) should be disclosed in dollar terms.
<b>s1013E</b>	
Any other information that might reasonably be expected to have a material influence on the decision of a reasonable person whether to acquire the product.	This information is not relevant.