

From: Kylie Seymour-Clarke ...
To: "Maan.Beydoun@asic.gov.au" <Maan.Beydoun@asic.gov.au>,
Date: 05/08/2015 12:11 PM
Subject: Query on the draft RG 97

Hi Maan,

I have a query regarding the newest draft RG 97, which seems to be available for a very short urgent consultation. I provided some feedback to ASFA, but have now had a query relating to the data used for calculating ICR. In the current RG there is some allowance for using prospective information when calculating an ICR, particularly when the previous year's data is known to be different from the fees that will apply for the current year. The draft RG is very clear, and very black and white on this- the previous year's data must be used. This seems to be a departure from existing guidance, and from guidance that indicated that using previous year's performance fee data was relying on past performance.

This relates specifically to the disclosure of ICR for a superannuation fund

In a situation where the fees are likely to be different, as a result of changes to investment structures, how are these to be represented in the PDS- there is an ICR calculation for the previous year, but it is using different fees to those that will apply. Any representation of the fees intended to be used in the current PDS would be using fees that are only prospective- the true amount won't be known until next year. Any PDS using prospective fees would need to be replaced once the new RG came out, as that specifically indicates previous years fees. Is there any provision for obtaining relief or clarification from ASIC on this issue, to enable more accurate fees to be disclosed?

Regards

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