

Attachment 1 to CP 272: Draft instrument



ASIC

Australian Securities & Investments Commission

ASIC Corporations (Time-sharing Schemes) Instrument 2016/XX

I, <insert name>, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Dated 2016

[DRAFT ONLY – NOT FOR SIGNATURE]

<signature>

<insert name>

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Part 1—Preliminary

1 Name of legislative instrument

This is *ASIC Corporations (Time-sharing Schemes) Instrument 2016/XX*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at www.legislation.gov.au.

3 Authority

This instrument is made under subsections 601QA(1), 926A(2) and 1020F(1) of the *Corporations Act 2001*.

4 Definitions

Act means *Corporations Act 2001*.

exempt time-sharing scheme means a time-sharing scheme:

- (a) in relation to which its operator is exempted by ASIC from complying with section 601ED; and
- (b) that has not at any time been promoted by its operator as a means of generating a financial return other than by way of a rental pool.

operator means a person who operates:

- (a) a registered time-sharing scheme; or
- (b) an exempt time-sharing scheme.

registered time-sharing scheme means a time-sharing scheme:

- (a) registered in accordance with section 601ED; and
- (b) that has not at any time been promoted by its operator as a means of generating a financial return other than by way of a rental pool.

rental pool, in relation to a time-sharing scheme, means an arrangement conducted by the operator of the scheme whereby owners of interests in the scheme authorise the operator to manage and rent to third parties the rights of use of owners under the scheme and to pool the rental income received for pro-rata distribution to each owner.

Part 2—Exemptions

5 Exemption for forfeited time-sharing interests

- (1) A responsible entity of a registered time-sharing scheme does not have to comply with paragraph 601FG(1)(a) of the Act in relation to the acquisition and holding by the entity of an interest (*forfeited interest*) in the scheme that is forfeited to the responsible entity in accordance with the constitution of the scheme.

Circumstances to which the relief applies

- (2) The exemption in subsection (1) applies where subsections (3) and (4) apply.
- (3) The constitution of the scheme provides for the following:
 - (a) the forfeiture occurs as a result of a member (*defaulting member*) not paying:
 - (i) amounts payable to the responsible entity as scheme property, including, without limitation, amounts payable to acquire the forfeited interest or amounts payable for on-going periodic maintenance of scheme property; or
 - (ii) amounts payable to a person with respect to financial accommodation provided by the person in connection with the acquisition of the forfeited interest;
 - (b) the responsible entity must use reasonable endeavours to sell the forfeited interest:
 - (i) if a Product Disclosure Statement has been given in accordance with Part 7.9 of the Act during the last 12 months for interests in the scheme in the same class as the forfeited interest—at the price shown in the Statement most recently given; or
 - (ii) if no such Product Disclosure Statement has been given during the last 12 months—at a fair market price obtained by the responsible entity using reasonable endeavours;
 - (c) the responsible entity must apply any proceeds of sale or of other exploitation by it of the forfeited interest (including, without limitation, any proceeds of rental of, or licensing to use, the scheme property that relates to the interest of the defaulting member) in the following order:
 - (i) in payment of reasonable costs of the sale;

- (ii) in payment of any reasonable administrative costs arising from the forfeiture;
 - (iii) in payment of any outstanding amounts due from the defaulting member as scheme property;
 - (iv) in payment of any outstanding amounts due from the defaulting member to the responsible entity (other than as scheme property) or any other person in relation to that member's participation in the scheme (other than amounts referred to in subparagraph (v));
 - (v) in payment of any amounts payable by the defaulting member or the responsible entity to a person in relation to a liability of the member to the person for amounts with respect to financial accommodation provided by the person in connection with the acquisition of the forfeited interest; and
 - (vi) by paying any remaining amount to the defaulting member.
- (4) Both of the following apply:
- (a) each Product Disclosure Statement for interests in the scheme given at any time sets out the circumstances in which forfeiture of the interest may occur and of the procedures for dealing with forfeiture; and
 - (b) before a person acquires an interest in the scheme at a time when no Product Disclosure Statement for the interests is in use, the person has been given the information referred to in paragraph (a) in writing.

6 Valuation of property of registered time-sharing schemes

- (1) The responsible entity of a registered time-sharing scheme does not have to comply with paragraph 601FC(1)(j) of the Act in relation to the scheme.

Condition

- (2) A responsible entity that relies on the exemption in subsection (1) must ensure that an item of scheme property of the scheme is valued as soon as practicable after the responsible entity has reasonable grounds to believe that a valuation of the item is in the best interests of members or is needed for the scheme to operate in a manner that is fair to all members.
- (3) A responsible entity that has not complied with the condition in subsection (2) cannot rely on the exemption in subsection (1).

Part 3—Declarations

7 Disclosure of prices for the purchase of time-sharing interests

Chapter 5C of the Act applies to a responsible entity of a registered time-sharing scheme as if section 601GA were modified or varied as follows:

- (1) in subsection (1) (introductory words), omit “The”, substitute “Subject to subsection (1A), the”;
- (2) after subsection (1) insert:

“(1A) The constitution of a registered scheme that is a time-sharing scheme need not make adequate provision for the consideration that is to be paid to acquire an interest in the scheme to the extent that the constitution contains provisions to the effect that interests in the scheme may be issued at a price set out in the Product Disclosure Statement for the interests that is in use at the time.”.

8 Obligations on a holder of an Australian financial services licence

Part 7.6 (other than Divisions 4 and 8) of the Act applies to a responsible entity of a registered time-sharing scheme as if that Part were modified or varied by, after section 912A, inserting:

“Section 912AE Obligations in relation to time-sharing schemes

- (1) This section applies to a responsible entity of a registered time-sharing scheme.

Cooling-off period for time-sharing schemes

- (2) A responsible entity of a registered time-sharing scheme who makes available a Product Disclosure Statement for an interest in a registered time-sharing scheme must ensure that the application form relating to the interest is accompanied by a separate written cooling-off statement in the form set out in Part 5 of *ASIC Corporations (Time-sharing Schemes) Instrument 2016/XX*.
- (3) A responsible entity of a registered time-sharing scheme must:
 - (a) not deal in an interest in the scheme by issue or sale to a person, unless the person:
 - (i) if financial product advice is provided orally in relation to the issue or sale—has received an explanation of the cooling-off rights in

paragraph (b) and the fees and costs to acquire the interest; and

- (ii) has been given to keep, and provided signed and dated written confirmation that they have kept, a copy of the Product Disclosure Statement, the application form, and the cooling-off statement; and
- (b) ensure that the issue or sale of an interest in the scheme is voidable at the option of the person to whom it was issued or sold during a period of:
- (i) if the operator is a member of the Australian Timeshare & Holiday Ownership Council Limited ACN 065 260 095 and has not been notified in writing by ASIC that it cannot continue to rely on this subparagraph—not less than 7 days; or
 - (ii) otherwise—not less than 14 days,

commencing on later of the date on which the person provides the written confirmation referred to in paragraph (a) and the date of the application by the person for the interest;

- (c) ensure that the rights referred to in paragraph (b) are disclosed prominently in the Product Disclosure Statement and application form which relate to the offer of an interest in the scheme;
- (d) maintain a record of all persons that were provided a cooling-off statement and acquired an interest in the scheme that includes:
- (i) the identity of the person; and
 - (ii) the person's written confirmation required by subparagraph (a)(ii), the date of the Product Disclosure Statement that was given to the person and a copy of the application form signed and dated by the person,

and this record is kept for 7 years after the cooling-off statement is provided;

- (e) ensure that where a person notifies the issuer or seller as the case may be within the period in paragraph (b) that it wishes to obtain a refund, all monies paid by the person in relation to the

acquisition, including any administration or other fees and amounts paid for financing of the interest where as the case may be the issuer or seller has facilitated the financing, must be returned to the person.

- (4) A responsible entity of a registered time-sharing scheme must take all reasonable steps to ensure that its associates comply with paragraphs (3)(a) to (e) as if they were a financial services licensee if the associate offers to sell such an interest.

Charges and levies for time-sharing schemes

- (5) A responsible entity of a registered time-sharing scheme must:
- (a) pay and ensure that any of its associates pay the same continuing charges and levies as a member (other than the responsible entity or its associates) would be required to pay in relation to any interests it holds and pays the same continuing charges and levies on any interests that are unissued as if they were held by a member (other than the responsible entity or its associates); and
 - (b) provides to all members, in writing and at least annually, particulars of the composition and calculation of all continuing charges and levies to be imposed on members (including provision for maintenance and refurbishment).

Handling of purchase money for time-sharing schemes

- (6) A responsible entity of a registered time-sharing scheme must ensure that:
- (a) all money paid by a person to acquire an interest in the scheme from the responsible entity or its associate is deposited with an Australian ADI on trust for members not later than the business day following receipt and is not applied in any manner other than by payment to another such account until:
 - (i) a registrable dealing conferring title to any real property that the member is to acquire is lodged with the relevant authority; and
 - (ii) the construction of the property to which the interests being acquired by the offeree

relates, and any improvements necessary to permit normal use of that property, is substantially completed; and

- (b) if the development of property is not substantially completed by the date specified in the Product Disclosure Statement, any money paid by a person to acquire an interest in the scheme from the responsible entity or its associates and any income earned on that money is repaid to the person (or any transferee from the person) less deductions of any fees and disbursements properly chargeable against the income;
- (c) any deposit for the acquisition of an interest in the scheme from the responsible entity or its associates must be less than 30% in value of the total purchase price of the time-sharing interests when the time-sharing interest relates to:
 - (i) a property development or part of a property development that has not been completed to the stage at which it is ready for occupation; or
 - (ii) a property where representations have been made before the acquisition of the interest that the property will be refurbished and those refurbishments have not been completed.

(7) Compliance with this section has the effect specified in the following table:

A licensee who complies	is taken to comply with any condition to which its licence is subject, dealing with ...
1. subsections (2), (3) and (4)	adherence to mandatory cooling-off periods for time-sharing schemes
2. subsection (5)	charges and levies for time-sharing schemes
3. subsection (6)	handling of purchase money for time-sharing schemes

.”

9 Consequential modification of compliance plan requirements

Chapter 5C of the Act applies to a responsible entity of a registered time-sharing scheme as if paragraph 601HA(1)(c) were modified or varied by after “valued” inserting “in accordance with the conditions of any exemption under paragraph 601QA(1)(a) that exempts the responsible entity from paragraph 601FC(1)(j) or, if the responsible entity is not covered by such an exemption,”.

Note: Subsection 6(1) is an exemption of this kind.

10 Disclosure of price, fees and other costs

Part 7.9 of the Act applies in relation to a registered time-sharing scheme as if the provisions of that Part were modified or varied as follows:

(1) omit subregulation 7.9.16N(2) of the Regulations, and substitute:

“The fees section of a Product Disclosure Statement must include the following as set out in Part 2 of Schedule 10:

- (a) the Price template;
- (b) the Levies template;
- (c) the Other fees and costs template;
- (d) the Additional explanation of levies and other fees and costs; and
- (e) an Example of annual costs.”.

(2) omit Schedule 10 and substitute:

“Schedule 10—Disclosure of costs
(regulations 7.9.16K, 7.9.16M and 7.9.16N)

Part 1—Interpretation

101 Definitions

In this Schedule:

accommodation usage fee means an amount paid or payable to use accommodation such as housekeeping and cleaning services and is not paid or payable out of the levies.

establishment fee means an amount paid or payable for the establishment of a person’s timeshare that is in addition to the purchase price for the timeshare.

financing arrangement means an arrangement:

- (a) under which financial accommodation is provided by a person in connection with the acquisition of a timeshare; and
- (b) facilitated by the responsible entity of the scheme to which the timeshare relates.

financing costs means an amount paid or payable in relation to a financing arrangement.

fixed time, in relation to an interval-based program, means an interval which is fixed at the same time each year.

floating time, in relation to an interval-based program, means an interval which can be used during a range of dates and is not fixed at the same time each year.

Example

Floating time during a specified season allows members to request a booking for a week that falls within weeks 1–13 inclusive and 40–52 inclusive. Floating time during another specified season allows a member to request a booking for a week that falls within weeks 14–39 inclusive.

incidental fees means costs or amounts, other than costs or fees defined in this clause, that are:

- (a) paid or payable in relation to the timeshare; and
- (b) not material to a person’s decision to acquire, hold or dispose of his or her timeshare.

Example

Cheque dishonour fees

interval-based program means a time-sharing scheme where members have the right to use property to which the time-sharing scheme relates for an interval. The interval is either a fixed time or floating time.

Example

An interval may be a week per calendar year.

levies means an amount paid or payable for the maintenance of scheme property and other services relating to the scheme.

points, in relation to a time-sharing scheme, means a unit of measurement for the amount payable for the use of the property to which the scheme relates and associated fees and charges.

points-based program means a time-sharing scheme where members exchange points for the right to use property to which the time-sharing scheme relates for an interval.

purchase price means the consideration to acquire a timeshare under the Product Disclosure Statement.

timeshare means an interest in a time-sharing scheme.

Part 2—Price Template, Levies Template, Other Fees and Costs Template and Example of Annual Costs for Product Disclosure Statements

Division 1—The price template

201 Template for points-based programs

Purchase price of points

This table shows you the purchase price for a timeshare. It sets out the minimum number of points you must purchase and the price per point for different membership options. You can find information about the benefits of different membership options and expiry dates of points at *[insert page number]*.

This table also includes the price to purchase additional points once you are a member.

The number of points you will need to use particular accommodation may depend on many factors such as the location, facilities, time of year and day of the week. An example of a typical accommodation using the points of a typical timeshare purchased for *[insert amount]* is:

[insert example of a typical accommodation, including details of the resort location, room type, time of year and days of the week]

This example is for illustrative purposes only and there is no guarantee that specific accommodation will be available for specific dates. You can find a full list of the current points’ value needed for each accommodation at *[insert reference to where this information is located]*. The number of points needed may change over time.

<i>[Name of time-sharing scheme]</i>				
Membership option	Price for membership option			Price per additional point
	Amount	Points	Price per point	

202 Template for interval-based programs

Purchase price of intervals

This table shows you the purchase price for intervals to use the property for a fixed time or floating time.

<i>[Name of time-sharing scheme]</i>		
Week/s	Interval	Purchase price

Division 2—How to fill in the price template

203 The preamble

- (1) The material in the preamble to the template should only include matters that are relevant to the time-sharing scheme.

Example

If an interval-based program is for a fixed time, remove references to floating time. If a points-based program does not offer different membership options, remove the reference to different membership options.

- (2) The word “points” can be replaced with the word “credits” or other terminology used by the responsible entity to describe “points”.
- (3) The example stated must be based on a typical accommodation option available for a typical timeshare.

204 Presentation of amounts

- (1) This clause, clause 205, clause 206, clause 209, clause 210, clause 214, clause 215, clause 216, clause 217, clause 218, clause 219, clause 220, clause 222 and clause 223 are subject to regulations 7.9.15A, 7.9.15B and 7.9.15C.
- (2) An amount paid or payable must include, if applicable:
 - (a) GST less any reduced inputs tax credits; and
 - (b) stamp duty.

205 Points-based programs—membership options

- (1) The template must set out opposite each membership option offered by the time-sharing scheme in column 1:
 - (a) the points or range of points required in column 2;
 - (b) the price for each point in column 2; and
 - (c) the price for each point in addition to the minimum number that must be purchased in column 3.

- (2) If different membership options are not offered, column 1 must state “One membership offered” and opposite this:
- (a) the points required in column 2;
 - (b) the price for each point in column 2; and
 - (c) the price for each additional point after the acquisition of an interest in the time-sharing scheme in column 3.

206 Points-based programs—column 3

If the amount payable for each additional point depends on the number of points purchased, column 3 may be divided into sub-columns for the different point ranges.

Example

Column 3 is divided into 4 sub-columns for different prices for the points ranges 0–999, 1,000–2,999, 3,000–4,900 and 5,000 and above.

207 Interval-based programs—column 1

- (1) Column 1 must set out the week number/s which relate to the purchase price in column 3.

208 Interval-based programs—column 2

- (1) If fixed time is offered, column 2 must set out the specific dates of the weeks in column 1 over a 5-year period.
- (2) If floating time is offered, column 2 must set out the range of dates for the weeks in column 1 over a 5-year period opposite to the purchase price in column 3.

Example for fixed time

1 Jan – 8 Jan 2016, 6 Jan – 13 Jan 2017, 5 Jan – 12 Jan 2018, 4 Jan – 11 Jan 2019, 3 Jan – 10 Jan 2020

Example for floating time

Weeks 18–20 or any week between weeks 10–40

Division 3—Levies template

209 Points-based programs

Levies payable

As a member, you will be charged levies to cover the budgeted costs of maintaining the property of the time-sharing scheme, managing the scheme and other services. You have to pay these even if you don't use your timeshare.

The tables below set out how levies are calculated and the amount of the current levies. The amount of your levies may depend on the number of points you own and/or your type of membership.

It is important to understand that failure to pay your levies may result in you forfeiting your timeshare. You may not receive anything back.

How levies are calculated and when payable			
<i>[insert method of calculation and when levies are payable]</i>			
Current levies for the period <i>[insert date]</i>			
Membership option	Amount	Points	How this is calculated

210 Interval-based programs

Levies payable

As a member, you will be charged levies to cover the budgeted costs of maintaining the property of the time-sharing scheme, managing the scheme and other services. You have to pay these even if you don't use your timeshare.

The table below sets out how the levies are calculated and the amount of the current levies.

It is important to understand that failure to pay your levies may result in you forfeiting your timeshare. You may not receive anything back.

How levies are calculated and when payable

[insert method of calculation and when levies are payable]

Current levies for the period *[insert date]*

[insert amount]

Division 4 —How to fill in the levies template

211 The preamble

The material in the preamble to the template should only include matters that are relevant to the time-sharing scheme.

212 How levies are calculated and when payable

The table must include an explanation of how the levies are calculated for future periods and when they are required to be paid.

Example for points-based programs

The levy is your share of the total amount of levies budgeted to be raised based on the number of points you have.

For the first year of membership, the pro-rata proportion of the levy which relates to the remaining period of that calendar year will be due on the 1st January.

Example for interval-based programs

A budget is calculated for the upcoming calendar year and divided into the number of weeks. Members pay in proportion to the number of weeks held.

213 Points-based programs—column 1

If the amount of the levies depends on the number of points and not the membership level, column 1 must state the words “All membership options”.

214 Points-based programs—column 2

If it is not possible to determine a single amount for the levies or the number of points, it may be written as a range of amounts.

215 Points-based programs—column 3

Column 3 must set out the amount for each point or the method of calculating the total amount of levies.

Example 1

\$0.05 per point

Example 2

\$500 for the first 6,000 points plus (\$100) for each extra amount of up to 2,500 points

Division 5—The other fees and costs template

216 The other fees and costs template

Other fees and costs

In addition to your levies, you may be charged other fees and costs which are set out in the table below.

[If relevant] It includes the costs of financing the purchase of a timeshare if you choose to enter into a financing arrangement facilitated by the responsible entity. You may choose to obtain your own financing which is subject to costs not disclosed in this table. It is important to understand that failure to pay an amount owing to a person who provided financial accommodation may result in you forfeiting your timeshare. You may not receive anything back.

Other fees and costs		
Type of fee or cost	Amount	How and when paid
Establishment fee The fee to buy your timeshare		
Forfeiture fee Fees payable if you forfeit your timeshare		
Transfer fee Fees to transfer your timeshare		
Accommodation usage fees Fees payable to use accommodation		
<i>[if relevant]</i> Financing costs where financing arrangement is facilitated by the responsible entity¹		
Upfront financing cost The financing costs you have to pay upfront		
Ongoing financing costs The financing costs you have to pay on an ongoing basis		
Interest and loan terms The range of interest rates and loan terms that are available subject to finance approval		

¹ The exact amount will depend on your particular circumstances and will be disclosed separately by the person providing the financial accommodation.

Division 6—How to fill in the other fees and costs template

217 Presentation of amounts

- (1) If a particular fee or cost is not charged, 'nil', 'zero', '0' or 'not applicable' (if it would not be misleading) must be written in column 2 opposite the type of fee or cost.
- (2) If it is not possible to determine a single amount or percentage of a fee or cost, it may be written as a range of fees or costs.
- (3) If the exact amount of a fee or cost paid or payable is not known, an amount that is a reasonable estimate of the amount attributable to the retail client must be shown.
- (4) An amount set out in accordance with subclause (3) must be clearly designated as an estimate.
- (5) If an amount or cost has a number of components, the amount of each component must be listed separately.

Example
\$0.05 per point held + \$50 per year.

Division 7—Additional explanation of fees and costs

218 Matters to be included as additional explanation of fees and costs

The following information, if relevant to the particular time-sharing scheme, must be included under the heading ‘Additional Explanation of Levies, Other Fees and Costs’:

- (a) information about levies, including:
 - (i) the types of costs and expenses covered by the levies;
 - (ii) any interest or fees charged for late payment;
 - (iii) what happens when levies are not paid by the due date;
 - (iv) when the levies will be invoiced;
 - (v) if a levy is expected to occur in the future, an explanation of the purpose of the levy and the key assumptions;
 - (vi) if applicable, a statement about the responsible entity’s powers to revise the levies; and
 - (vii) how to obtain a copy of the annual budget.
- (b) information about suspension and forfeiture of a timeshare due to failure to pay levies or other fees or costs.
- (c) information on the amount payable to the responsible entity and any delegate of the responsible entity for managing the time-sharing scheme, including:
 - (i) the amount stated as a percentage of the annual operating budget with a worked example showing the amount in dollars per year for a typical timeshare; and
 - (ii) any maximum limits to increases to the amount payable in the constitution.
- (d) information about changes to the fees and costs:
 - (i) if applicable, a statement about the responsible entity’s right to change the amount of the fees without the member’s consent;

- (ii) any indexation arrangements that may apply;
- (iii) the period of advanced notice required for changes; and
- (iv) any limits on changes and when they would apply.
- (e) information about the accommodation usage fees.
- (f) information about fees for any additional services.
- (g) details of any incidental fees.
- (h) details of the fees and costs of any optional programs offered to members.

Division 8—Example of annual costs

219 Points-based programs

Example of annual costs

This example gives an estimate of the minimum amount on average you could be paying in the first 10 years for a typical timeshare acquired under this Product Disclosure Statement at the value of *[insert amount]* with and without the option of financing. The cost includes the purchase price, estimated levies and other ongoing amounts payable.

An example of a typical accommodation using the points of a typical timeshare purchased for *[insert amount]* is:

[insert example of a typical accommodation including details of the resort location, room type, time of year and days of the week]

This example is for illustrative purposes only and there is no guarantee that specific accommodation will be available for specific dates.

You should be aware that the estimate does not take into account any increase in levies over 10 years that may occur or other costs such as usage fees. If financing is facilitated, the estimate assumes you borrowed the maximum portion of the total purchase price which is available and at the maximum interest rate. The costs may reduce significantly after any finance is paid off. Financing is at the discretion of the person providing the financial accommodation and may not be available.

Example without financing

It may cost you about *[insert amount]* per year on average for the first 10 years if you purchase a typical timeshare.

This includes paying each year, estimated levies of *[insert amount]* and other ongoing costs of *[insert amount]*.

Example with financing

With financing, it may cost you about *[insert amount]* per year on average for the first 10 years if you purchase a typical timeshare.

This includes paying each year, estimated levies of *[insert amount]* and other ongoing costs of *[insert amount]*.¹

¹ The interest rate in the example is based on the maximum interest rate available under a financing arrangement and the loan term in relation to that interest rate. The interest rate is *[insert rate]* and loan term is *[insert term]*.

220 Interval-based programs

Example of annual costs

This example gives an estimate of how much on average you could be paying in the first 10 years if you acquire a typical week of use of the property with and without the option of finance. The cost includes the purchase price, levies and other ongoing amounts payable.

You should be aware that the estimate does not take into account any increase in levies over the 10 years that may occur or other costs such as usage fees. If financing is offered, the estimate assumes you borrowed the maximum portion of the total purchase price which is available. The costs may reduce significantly after any finance is paid off. Financing is at the discretion of the person providing the financial accommodation and may not be available.

Example without financing

It may cost you about **[insert amount]** per year on average for the first 10 years if you purchase a typical timeshare.

This includes paying each year, estimated levies of **[insert amount]** and other ongoing costs of **[insert amount]**.

Example with financing

With financing, it may cost you about **[insert amount]** per year on average for the first 10 years if you purchase a typical timeshare.

This includes paying each year, levies of **[insert amount]** and other ongoing costs of **[insert amount]**.¹

¹ The interest rate in the example is based on the maximum interest rate available under a financing arrangement and the loan term in relation to that interest rate. The interest rate is **[insert rate]** and loan term is **[insert term]**.

Division 9—How to fill in the example of annual costs

221 Points-based programs—Example

The example of a typical timeshare and typical accommodation must be the same example used for the Price template in clause 201.

222 Levies and other ongoing costs

- (1) The example must be based on the current amount of levies as at the date of the Product Disclosure Statement and a reasonable estimate of any expected additional levies averaged over 10 years.
- (2) If there is a range in the ongoing amounts that may be charged, the example must use the highest amount in that range.

223 Financing costs

- (1) If a financing arrangement is offered, both the example with financing and example without financing should be included.
- (2) If a financing arrangement is not offered, the preamble and example should be modified by removing references to financing.
- (3) The interest rate in the example with financing must be based on the maximum interest rate available under a financing arrangement and the loan term in relation to that interest rate. If there is more than one loan term, the example must use the maximum loan term which does not exceed 10 years. If the loan term is for less than 10 years, the amounts payable must be averaged over 10 years. The example must be based on a financing arrangement which is available as at the date of the Product Disclosure Statement.
- (4) If there is a range in the amount of financing fees that may be charged, the example with financing must use the highest fees in the range.
- (5) The interest rate and loan term must be set out in the footnote to the table.

Part 3—Fees and costs in periodic statements

301 Disclosure to support understanding

The periodic statement must include the information that the responsible entity reasonably believes that the member needs to understand the fees and costs applying to the interest of the member during the reporting period.

302 Periodic statement to disclose fees and costs as set out in the Product Disclosure Statement

The periodic statement must include a section after the statement of transactions on the account, as follows, substituting for text in parentheses the information required by the text in parentheses:

“Fees and costs	
Type of fee or cost	Amount in dollars
Levies [specify what each levy was for and the amount]	
Establishment fee Fees paid to buy your timeshare	
Forfeiture fee Fees paid if you forfeit your timeshare	
Transfer fee Fees paid to transfer your timeshare	
Accommodation usage fees Fees paid to use accommodation	
Other fees and costs [specify what each other kind of fee and cost was for and the amount]	
Total fees and costs you paid	

Note: This does not include any interest, fees or costs relating to a financing arrangement.”

Part 4—Transitional

Rental pools covered by ASIC Class Order [CO 02/237]

- (1) This section applies in relation to a person that operates or provides financial services in relation to an interest in a rental pool that was operated or purportedly was operated in reliance on ASIC Class Order [CO 02/237] (the *old class order*) immediately before the repeal of that class order.
- (2) The old class order as in force immediately before its repeal continues to apply to the person despite its repeal with the following amendments:
 - (a) In the First Exemption at subparagraph 1(e) omit “once every 6 months”, and substitute “annually”.
 - (b) In the Second Exemption at paragraph (b) omit “once every 6 months”, and substitute “annually”.

Part 5—Cooling-off statement

The statement below must accompany each application form relating to an interest in a registered time-sharing scheme: see section 8 (notional subsection 912AE(2)).

Cooling-off statement

[provider to insert name of time-sharing scheme]

Your right to change your mind

You can change your mind about buying an interest in the time-sharing scheme within *[provider to insert number of days applying under paragraph 912AE(3)(b)]* days and get back any money you have paid to purchase the interest.

The days start from when you sign the ‘Confirmation that you have kept a copy of the cooling-off statement’ below and when you make an application for an interest in the scheme.

If you don’t use your cooling-off rights by that time, you will be liable to pay levies *[specify basis for ongoing liability—for example, for X years or until you die]* whether you use the timeshare or not. *[If applicable: Even if you forfeit your interest in the time-sharing scheme you may have an ongoing liability to pay levies.]*

We note that these cooling-off rights do not apply in relation to any financing you have arranged yourself to buy the interest. These arrangements will be subject to separate requirements which you should consider before signing any documents for the financing.

How can you get your money back?

You can get back all the money you paid by signing the notice set out below within the time limit and sending it to:

[provider to insert an address for service of notice in Australia and also including an email address]

Confirmation that you have kept a copy of the cooling-off statement

I have a copy of this two-page cooling-off statement, the application form and the Product Disclosure Statement.

Signature(s):

Name(s):

Address:

.....

Date:.....

Cut here _ _ _ _ _

Written notice of exercise of my cooling-off rights

To: *[provider to insert name of provider and scheme]*

Address: *[provider to insert postal address and email address]*

I don't want to go ahead with buying an interest in the time-sharing scheme so I want to use my right to a refund.

Please return all money I have paid by way of deposit or otherwise as soon as possible.

Send it to my address on the confirmation or, if I have chosen to give my banking account details below, by making a deposit to that account.

Signature(s):

Name(s):

Address:

.....

Date:

Banking account details (optional):
