

**EXPLANATORY STATEMENT for**  
**ASIC CORPORATIONS (REPEAL) INSTRUMENT 2016/171**

Prepared by the Australian Securities and Investments Commission

*Corporations Act 2001*

The Australian Securities and Investments Commission (**ASIC**) makes ASIC Corporations (Repeal) Instrument 2016/171 under sections 283GA, 655A, 741 and 1020F of the *Corporations Act 2001* (the **Act**).

This legislative instrument, which is an omnibus repeal instrument, repeals a number of class orders made by ASIC. A number of sources of power were used to make those class orders. As this instrument is revoking those class orders, the powers being exercised in this instrument are the multiple sources of power used to make those other class orders.

## **1. Background**

ASIC has recently reviewed 31 class orders which relate primarily to the fundraising provisions in Chapter 6D of the Act. ASIC has decided to remake the relief found in 26 of those class orders, where that relief is considered to still be both necessary and appropriate. ASIC has decided to cease to provide the relief found in the remaining five class orders, where that relief is considered to be unnecessary.

The *Legislation Act 2003* (the **LA**) provides for the periodic expiry of legislative instruments (‘sunsetting’) to ensure that they are kept up to date and only remain in force for as long as they are needed. The 31 class orders reviewed, being legislative instruments, were scheduled to eventually expire under the sunsetting provisions of the LA.

ASIC’s review of the policy underlying these class orders — and subsequent decision to reissue the relief (in the case of 26 class orders) or cease to provide the relief (in the case of five class orders) — has provided an opportunity to deal with this imminent expiry and ensure that the relevant relief will continue to be available.

## **2. Purpose of the instrument**

The purpose of ASIC Corporations (Repeal) Instrument 2016/171 is to repeal, in a single instrument, 31 class orders which relate primarily to the fundraising provisions in Chapter 6D.

The relief found in 26 of those class orders is remade in 13 new legislative instruments.

	<b>Repealed class order</b>	<b>New legislative instrument</b>
1.	[CO 00/168] <i>Relief from exposure period: quoted securities</i>	ASIC Corporations (Exposure Period) Instrument 2016/76
2.	[CO 00/169] <i>Relief from exposure period: supplementary and replacement prospectuses</i>	ASIC Corporations (Exposure Period) Instrument 2016/76
3.	[CO 00/172] <i>Offer information statements: relief in relation to financial statements</i>	ASIC Corporations (Offer Information Statements) Instrument 2016/73
4.	[CO 00/173] <i>Debenture prospectuses: incorporation of information on application forms</i>	ASIC Corporations (Debenture Prospectuses) Instrument 2016/75
5.	[CO 00/174] <i>Debenture prospectuses: updating of interest rate and term information</i>	ASIC Corporations (Debenture Prospectuses) Instrument 2016/75
6.	[CO 00/175] <i>Pre-prospectus roadshow presentations</i>	ASIC Corporations (Market Research and Roadshows) Instrument 2016/79
7.	[CO 00/176] <i>Pre-prospectus market research</i>	ASIC Corporations (Market Research and Roadshows) Instrument 2016/79
8.	[CO 00/190] <i>Substituting and consolidating supplementary disclosure documents</i>	ASIC Corporations (Substituted Supplementary Disclosure Documents) Instrument 2016/78
9.	[CO 00/195] <i>Offer of convertible securities under s713</i>	ASIC Corporations (Offers of Convertibles) Instrument 2016/83
10.	[CO 00/656] <i>Announcements to securities exchanges about offers by subsidiaries of the listed body</i>	ASIC Corporations (Market Research and Roadshows) Instrument 2016/79
11.	[CO 00/843] <i>Options over listed securities: exposure period relief</i>	ASIC Corporations (Exposure Period) Instrument 2016/74
12.	[CO 00/1092] <i>Application form relief for bonus issues of options</i>	ASIC Corporations (Options: Bonus Issues) Instrument 2016/77
13.	[CO 01/1455] <i>Continuously quoted securities</i>	ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73
14.	[CO 02/138] <i>Announcements to financial markets by holding companies about financial products other than securities</i>	ASIC Corporations (Market Research and Roadshows) Instrument 2016/79
15.	[CO 02/141] <i>Experts: citing in Product Disclosure Statements</i>	ASIC Corporations (Consents to Statements) Instrument 2016/72
16.	[CO 02/143] <i>Financial product market research</i>	ASIC Corporations (Market Research and Roadshows) Instrument 2016/79
17.	[CO 02/145] <i>Relief from exposure period: managed investment products able to be traded on a licensed financial market</i>	ASIC Corporations (Exposure Period) Instrument 2016/74
18.	[CO 04/671] <i>Disclosure for on-sale of securities and other financial products</i>	ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80
19.	[CO 04/672] <i>Extension of on-sale exemption</i>	ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73
20.	[CO 07/428] <i>Consent to quote: Citing credit ratings, trading data and geological reports in disclosure documents and PDS</i>	ASIC Corporations (Consents to Statement) Instrument 2016/72
21.	[CO 07/429] <i>Consent to quote: Citing credit ratings agencies, trading data and geological reports in takeovers</i>	ASIC Corporations (Consents to Statement) Instrument 2016/72
22.	[CO 07/571] <i>Disclosure exemption for rights issues</i>	ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73
23.	[CO 08/25] <i>Sale offers within 12 months after controller sales</i>	ASIC Corporations (Sale Offers By Controllers) Instrument 2016/81
24.	[CO 08/35] <i>Disclosure relief for rights issues</i>	ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84
25.	[CO 10/322] <i>On-sale for convertible notes issued to wholesale investors</i>	ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82
26.	[CO 13/523] <i>Citation of experts and consent to quote</i>	ASIC Corporations (Consents to Statements) Instrument 2016/72

The relief found in the following 5 class orders will no longer be provided:

- (a) Class Order [CO 00/167] *Relief from exposure period: profile statements*;
- (b) Class Order [CO 00/177] *Fundraising exemption: NZ prospectuses*;
- (c) Class Order [CO 00/222] *Employee share schemes—miscellaneous fundraising relief*;
- (d) Class Order [CO 00/229] *Solicitors mortgage investment companies*; and
- (e) Class Order [CO 00/238] *Dividend reinvestment plans*.

### **3. Operation of the instrument**

ASIC Corporations (Repeal) Instrument 2016/171 repeals the 31 class orders specified in the schedule to that instrument.

### **4. Consultation**

On 17 September 2015 ASIC released CP 239 *Disclosure documents: Update to ASIC instruments and guidance (CP 239)* seeking feedback on proposals to update and consolidate a number of regulatory guides relating primarily to Chapter 6D of the Act. CP 239 referred to the expiry of class orders scheduled to eventually sunset under the LA and also sought feedback on proposals to reissue the legislative instruments associated with ASIC's updated guidance and to make legislative instruments addressing some discrete policy issues. The consultation period closed on 27 November 2015.

ASIC received four submissions in response to CP 239. Details of the submissions are contained in REP 473 *Response to submissions on CP 239 Disclosure documents: updates to ASIC instruments and guidance* which is available on ASIC's website at [www.asic.gov.au](http://www.asic.gov.au).

Following the consultation, ASIC decided to proceed to reissue the class orders as proposed by CP 239. Notwithstanding the consultation, ASIC considers that ASIC Corporations (Repeal) Instrument 2016/171 is of a minor or machinery nature and, having regard to the contemporaneous reissuing of the class orders, does not substantially alter existing arrangements.

## **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### **ASIC Corporations (Repeal) Instrument 2016/171**

ASIC Corporations (Repeal) Instrument 2016/171 is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview**

ASIC Corporations (Repeal) Instrument 2016/171 repeals 31 class orders which relate primarily to the fundraising provisions in Chapter 6D of the *Corporations Act 2001*.

#### **Human rights implications**

This legislative instrument does not engage any of the applicable rights or freedoms.

#### **Conclusion**

This legislative instrument is compatible with human rights as it does not raise any human rights issues.

**Australian Securities and Investments Commission**