

EXPLANATORY STATEMENT for

ASIC Corporations (Joint Product Disclosure Statements) Instrument 2016/1056

Prepared by the Australian Securities and Investments Commission

Corporations Act 2001

The Australian Securities and Investments Commission (**ASIC**) makes *ASIC Corporations (Joint Product Disclosure Statements) Instrument 2016/1056*, under paragraph 1020F(1)(c) of the *Corporations Act 2001* (the **Corporations Act**).

Paragraph 1020F(1)(c) provides that ASIC may declare that Part 7.9 of the Act applies in relation to a person or a financial product, or a class of persons or financial products, as if specified provisions were omitted, modified or varied.

The instrument remakes ASIC Class Order [CO 03/1092] *Further relief for joint Product Disclosure Statements* which is due to sunset on 1 April 2017 under the *Legislation Act 2003*.

ASIC Class Order [CO 03/1092] is repealed by ASIC Corporations (Repeal) Instrument 2016/1053.

1. Background

This instrument grants relief from the requirements in section 1013A of the Corporations Act, to allow financial product issuers to jointly prepare a single Product Disclosure Statement (**PDS**) in certain circumstances.

The instrument enables product issuers that together offer two or more complementary products to issue a joint PDS so that retail clients can consider those products together as part of one overall purchasing decision.

2. Purpose of the instrument

The purpose of the *ASIC Corporations (Joint Product Disclosure Statements) Instrument 2016/1056* is to continue the substantive effect of the relief granted by ASIC Class Order [CO 03/1092] *Further relief for joint Product Disclosure Statements*.

ASIC Class Order [CO 03/1092] was intended to provide certainty and flexibility for issuers of financial products working together by permitting them to prepare joint PDSs, while maintaining consumer safeguards already in place under the Corporations Act.

3. Operation of the instrument

Declaration to modify section 1013A of the Corporations Act and omit regulation 7.9.07J of the *Corporations Regulations 2001*

Section 5 modifies section 1013A of the Corporations Act and omits regulation 7.9.07J of the Corporations Regulations to permit joint issuers of Product Disclosure Statements, in certain circumstances.

Section 6 sets out the circumstances in which the modifications and omission apply, including that the PDS clearly states it covers two or more financial products, and that each issuer takes full responsibility for the whole of the PDS.

4. Consultation

ASIC consulted with industry stakeholders on its proposal to remake, without significant changes, ASIC Class Order [CO 03/1092].

The feedback received in response to ASIC Consultation Paper CP 255 Remaking ASIC class orders on financial services disclosure requirements supported the proposal to issue a new instrument to continue the effect of the relief granted under ASIC Class Order [CO 03/1092].

Statement of Compatibility with Human Rights

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

ASIC Corporations (Joint Product Disclosure Statements) Instrument 2016/1056

ASIC Corporations (Joint Product Disclosure Statements) Instrument 2016/1056 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 (Joint Product Disclosure Statements) Instrument 2016/1056 continues the effect of ASIC Class Order [CO 03/1092] by providing relief to permit issuers of financial products to jointly prepare a single Product Disclosure Statement, in certain circumstances.

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