



**ASIC**  
Australian Securities &  
Investments Commission

# Supplementary Explanatory Statement

## *ASIC Corporations (Amendment) Instrument 2019/784*

This is the Supplementary Explanatory Statement for ASIC (Amendment) Instrument 2019/784.

The Supplementary Explanatory Statement is approved by the Australian Securities and Investments Commission (*ASIC*).

### **Purpose of the Supplementary Explanatory Statement**

1. This Supplementary Explanatory Statement amends and supplements the initial explanatory statement (*explanatory statement*) for ASIC (Amendment) Instrument 2019/784 (*Relevant Instrument*), in accordance with paragraph 15J(1)(c) of the *Legislation Act 2003* (Cth).
2. The purpose of this Supplementary Explanatory Statement is to set out details of the matters relevant to the exercise of ASIC's exemption and modification powers in the Relevant Instrument.

### **Amendment to explanatory statement for the Relevant Instrument**

3. In the section of the explanatory statement titled '*Legislative authority*':
  - (i) after paragraph numbered 39, insert new paragraphs 40 and 41 as follows:
    - “40. *As the principal instruments do not facilitate the quotation and trading of managed funds on the financial market operated by Chi-X, where they do for broadly equivalent products offered by the ASX, ASIC determined that the expansion of relief is necessary to promote competition and the efficient operation of equity capital markets. As such, ASIC has taken steps to amend the principal instruments.*
    41. *ASIC is of the view that a legislative instrument is the most appropriate vehicle to achieve the purposes set out in the section of this explanatory statement titled 'Purpose of the Instruments'. ASIC considers that the exemptions and modifications provided for in the Legislative Instrument are not appropriate for enactment in the Act. They are highly specific provisions that only apply in relation to a specific financial product traded on a specific financial market and in relation to eligible market makers and issuers of those products who meet certain requirements. In this context, amending the Act to extend*

---

*the relief in the principal instruments may introduce unnecessary complexity to the Act.”; and*

- (ii) renumber the paragraphs previously numbered ‘40’ and ‘41’ in the explanatory statement to numbers ‘42’ and ‘43’ respectively.