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AIST welcomes ASIC review of super disclosure rules

The Australian Institute of Superannuation Trustees (AIST) welcomes the announcement by the Australian Securities and Investment Commission (ASIC) that it will conduct a review of the Regulatory Guide 97 fee and cost disclosure requirements and adopt a facilitative approach to funds complying with the existing legislation.

ASIC said it will extend - beyond the original 30 September deadline - its “facilitative compliance approach” to funds providing information to consumers about fees and costs. The regulator will work with an external expert to conduct a review of the super disclosure rules to be completed in the first half of 2018.

AIST CEO Eva Scheerlinck welcomed ASIC’s commitment to working with the industry to ensure that the objectives of the RG 97 requirements were met and the disclosure requirements were able to be more easily implemented.

“It’s great to see that ASIC has taken on board industry feedback on RG 97 and recognises the importance of the issues we have raised,” said Ms Scheerlinck. “We look forward to working with ASIC and the external expert to review these disclosure requirements and ensure they are meaningful for consumers.”

Led by AIST senior policy advisor Karen Volpato, AIST has been heavily involved for the past four years in industry consultations on RG 97. While AIST supports the objective of RG 97 to provide greater transparency, we have long held serious concerns that the requirements could lead to inaccurate disclosure on fees and costs, thus making it harder rather than easier for consumers to compare funds. In particular, AIST raised concerns that the requirements were overly complex and treated asset classes differently.

AIST looks forward to receiving further details from ASIC about the review process.

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AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.