

SELF ASSESS YOUR READINESS FOR ASIC'S NEW LAWS AND POLICIES

Are you ready?

Significant new laws and updates to ASIC policy commence in 2021—

- financial product design and distribution obligations (DDO)
- updated ASIC policy on internal dispute resolution (IDR)
- updated fees and costs disclosure requirements (RG 97).

Whilst there is over a year to go, there is much more work involved to be ready than meets the eye. Special counsel Matt Moses from our Funds Management team says it is wise to prepare to comply soon.

FINANCIAL PRODUCT DESIGN AND DISTRIBUTION OBLIGATIONS

Commencement date: 5 October 2021

- Have you developed an implementation plan outlining the steps you need to take to comply with the DDO regime?
- Have you drafted target market determinations for your funds?
- Have you introduced a product governance framework?
- Have you drafted your DDO policy and updated other relevant policies?
- Have you engaged with your distribution network about controls and reporting obligations that need to be included in your distribution arrangements?

- Have you thought about the changes required to your offer documents, compliance plans, and advertising material?

We can help you get started. While there has been a lot of talk about DDO, we can provide practical guidance about how DDO will change the way your business operates. We can provide you with a DDO implementation steps plan and other practical tools, including workplans, checklists and proforma documents to assist with implementation of systems, processes, procedures, and arrangements to comply with DDO.

For background information and more details please [click here](#) for a recent article by special counsel Matt Moses.

UPDATED ASIC POLICY ON INTERNAL DISPUTE RESOLUTION (IDR)

Commencement date: 5 October 2021

- Have you reviewed your IDR systems to ensure they are able to comply with ASIC's new policy in Regulatory Guide 271 *Internal dispute resolution* (RG 271)?
- Does your business have an organisation-wide culture intended to identify and raise issues proactively and resolve complaints quickly?
- Are you adequately resourced to provide an IDR response to standard complaints no later than 30 calendar days after receipt?
- Are you adequately resourced to provide reasons for decisions set out in an IDR response, including by—
 - identifying and addressing the issues raised in the complaint
 - setting out findings on material questions of fact and referring to information that supports those findings, and
 - providing enough detail for the complainant to understand the basis of the decision and to be fully informed when deciding whether to escalate the matter to Australian Financial Complaints Authority or another forum?
- Do you have clear processes to identify and deal with systemic issues?
- In the event a systemic issue is identified, can you take prompt action to identify consumers and provide fair remediation?
- In relation to any complaints received—
 - do you regularly collect data, analyse, and report internally about the number and nature of complaints and how they are dealt with?
 - is this information regularly provided to Senior Management and the Board?
 - is this information disclosed in annual reports?
- Do you undertake regular compliance audits?
- Would you benefit from an independent legal review of your IDR systems to ensure they meet the new requirements?

We can help you review your IDR systems to ensure they meet the new requirements.

Please [click here](#) for a recent article by special counsel Selina Nutley from our Commercial Disputes team where she explains the central features of RG 271.

UPDATED FEES AND COSTS DISCLOSURE REQUIREMENTS (RG 97)

PRODUCT DISCLOSURE STATEMENTS (PDSs)

Early opt-in: from 30 September 2020
Commencement date: 30 September 2022

- Have you updated your templates, and can you calculate fees and costs information to be included in the new categories required by updated RG 97?
- Should you opt-in early for your next PDS roll-over or new retail product?

PERIODIC STATEMENTS

Early opt-in: for reporting periods commencing on or after 1 July 2020
Commencement date: for reporting periods commencing on or after 1 July 2021

- Have you updated your templates and can you comply with updated RG 97 for reporting periods commencing on or after 1 July 2021?
- Should you opt-in early for periodic statements for your fund's next reporting period?

We can help you decide whether to opt-in early and review your PDSs and periodic statements to ensure they meet the new RG 97 requirements.



Matt Moses

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