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## ALERT

# ASIC seeks feedback on licensing requirements for CCIVs

Ahead of the commencement of the new corporate collective investment vehicle (CCIV) framework on 1 July 2022, ASIC released Consultation Paper 360 *Corporate collective investment vehicles: Preparing for the commencement of the new regime* yesterday seeking feedback on its proposed licensing requirements for CCIVs.

The new CCIV regime heralds a new investment vehicle designed to increase the competitiveness of Australia's managed funds industry internationally to attract offshore investment and offer flow-through tax treatment. You can read about the key features of the CCIV regime and some of its benefits and drawbacks in our [recent article by partner Langton Clarke](#).

ASIC is seeking feedback from fund managers and other stakeholders on how it will—

- assess AFS licence applications from corporate directors seeking to operate a CCIV
- assess AFS licence applications from persons seeking to provide financial product advice on and/or deal in CCIV securities, and
- administer the licensee obligations that will apply to corporate directors.

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## WHAT IS PROPOSED?

Some of the key proposals ASIC is requesting feedback on are as follows:

### 1. Authorisations

Two key CCIV authorisations are proposed – operating a retail CCIV and operating a wholesale CCIV.

It is also proposed 'named' and 'kinds of' CCIV authorisations be granted similar to those for responsible entities.

### 2. Operational competence

Operating registered or unregistered schemes experience may be taken into account to support the equivalent CCIV authorisations (as well as similar overseas experience).

### 3. Financial requirements

For retail CCIV operators, it is proposed similar financial requirements imposed on responsible entities will apply to the corporate director (eg a minimum of \$150,000 NTA provided a qualified external custodian holds the CCIV's assets).

For wholesale CCIV operators, it is proposed no 'tailored' financial requirements be imposed on the corporate director.

This can be distinguished from a wholesale licensee authorised to provide custodial services. This means, for example, a wholesale corporate director will not be required to hold a minimum amount of NTA – irrespective of who holds the assets.

Submissions close on 14 April 2022.

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## WHAT SHOULD YOU DO NEXT?

Contact us if you have queries about making a submission or if you need to understand more about how CCIVs will be used, the regulatory and policy requirements of the new framework, or for assistance with preparing a CCIV product.

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