



AUSTRALIA UPDATES GUIDANCE ON SUPER INVESTMENT FEES AND COST DISCLOSURES

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The Australian Securities and Investments Commission (ASIC) has published updated guidance – [Regulatory Guide 97](#) (RG 97) – for how product issuers and platform operators should disclose fees and costs for superannuation and managed investment products. It aims to clarify existing fees and cost disclosure requirements, to help promote compliance among issuers.

The guidance applies to all product disclosure statements (PDS) issued on or after 30 Sep 2020, and periodic and exit statements with reporting periods commencing on or after 1 Jul 2021. Fund managers could choose to adopt the guidance early for periodic and exit statements for reporting periods starting on or after 1 Jul 2020. Associated legislation also was published – [ASIC Corporations \(Disclosure of Fees and Costs\) Instrument 2019/1070](#) – effective 28 Nov 2019, although [ASIC Class Order 14/1252](#) and the transitional version of RG 97 will apply until the end of the transition period.

HIGHLIGHTS

- Clear disclosure of fees and costs. Any information provided will have to explain ongoing fees and costs separately from those based on a member's activity.
- Simplified grouping of ongoing fees and costs into three types – administrative, investment and transaction. Direct and indirect costs must be combined and advice fees must be incorporated into administration fees. Performance fees averaged over the previous five years must be disclosed in a PDS; the performance fees of super products must be included in the investment fees amount, and disclosed in a footnote.
- Inclusion of a single “cost of product” in disclosure statements, and simplification of how costs and fees are presented in periodic and exit statements.

In 2020, ASIC will continue work on fees and cost disclosures on platform arrangements, including monitoring disclosures of fees and costs. ASIC also will clarify with industry bodies how financial advisers should use fees and costs information when giving advice.

RELATED RESOURCES

- [Regulatory Guide 97](#) (ASIC, 29 Nov 2019)
- [ASIC Corporations \(Disclosure of Fees and Costs\) Instrument 2019/1070](#) (Federal Register of Legislation, 27 Nov 2019)
- [ASIC Class Order 14/1252](#) (Federal Register of Legislation, 1 Jul 2019)

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