

Our Ref:
Your Ref: ID20325

12 September 2016

Ms Tanja Cvijanovic
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Ms. Cvijanovic

ASIC Class Order [CO 99/463] *Serviced Strata Scheme Valuations*
ASIC Class Order [CO 02/185] *Sale of Strata Units for \$500,000 or more*
ASIC Class Order [CO 02/245] *Closed Schemes*
ASIC Class Order [CO 02/303] *Management Rights Schemes - Amendment*
ASIC Class Order [CO 02/304] *Management Rights Schemes*
ASIC Class Order [CO 02/305] *Management Rights Schemes*
ASIC Class Order [CO 07/189] *Management Rights Schemes where the Strata Unit cannot be used as a Residence*

I am writing to the office of Best Practice Regulation (**OBPR**) regarding 7 ASIC class orders which ASIC proposes to remake as one Instrument, *ASIC Corporations (Serviced Apartment and Like Schemes) Instrument 2016/0869*.

The class orders which will be remake are:

1. ASIC Class Order [CO 99/463] *Serviced Strata Scheme Valuations* (**[CO99/463]**) which will cease to have effect or to sunset on 1 April 2018 under the *Legislation Act 2003*;
2. ASIC Class Order [CO 02/185] *Sale of Strata Units for \$500,000 or more* (**[CO 02/185]**) which will cease to have effect or to sunset on 1 April 2018 under the *Legislation Act 2003*;
3. ASIC Class Order [CO 02/245] *Closed Schemes* (**[CO02/245]**) which will cease to have effect or to sunset on 1 April 2017 under the *Legislation Act 2003*;
4. ASIC Class Order [CO 02/303] *Management Rights Schemes – Amendment* (**[CO 02/303]**) which will cease to have effect or to sunset on 1 October 2017 under the *Legislation Act 2003*;
5. ASIC Class Order [CO 02/304] *Management Rights Schemes – amendment* (**[CO02/304]**) which will cease to have effect or to sunset on 1 October 2016 under the *Legislation Act 2003*;
6. ASIC Class Order [CO 02/305] *Management Rights Schemes* (**[CO02/305]**) which will cease to have effect or to sunset on 1 October 2016 under the *Legislation Act 2003*; and

7. ASIC Class Order [CO 07/189] *Management Rights Schemes where the Strata Unit cannot be used as a Residence ([CO07/189])* which will cease to have effect or to sunset on 1 October 2017 under the *Legislation Act 2003*.

Collectively the property, strata and management rights Class Orders.

These class orders provide conditional relief to the serviced strata and management rights scheme operators from complying with the *managed investments and associated provisions* contained within the *Corporations Act 2001 (Corporations Act)* including the requirements:

- To hold an Australian financial services licence;
- To register the schemes as a managed investment scheme; and
- To comply with various sections of the managed investment provisions contained within Chapter 5C of the Corporations Act and other associated provisions within the Corporations Act (including product disclosure statements (PDS), ongoing disclosure requirements and the hawking provisions).

ASIC certifies that the class orders are operating effectively and efficiently, and that therefore a Regulation Impact Statement is not required for these regulations to be remade.

The assessment that the regulation is operating effectively and efficiently has been informed by a consultation process which involved formal public consultation via Consultation Paper 250 Remaking ASIC class orders on property, strata and management rights schemes, (CP 250) released on 8 February 2016, seeking feedback from the property industry, operators and promoters of serviced strata and management rights schemes over the period 8 February 2016 to 8 March 2016.

Feedback from property industry, operators and promoters of serviced strata and management rights schemes

ASIC received three responses to CP 250, which were supportive of the proposal to remake the property, strata and management rights class orders so that promoters and operators would continue to receive the exemptions from the requirements to comply with managed investment and associated provisions outlined above.

I acknowledge that OBPR will publish this letter for transparency purposes.

If you have any queries about this advice, please contact Ada Bombardieri on (03) 9280 3524 or ada.bombardieri@asic.gov.au

Yours sincerely



Gerard Fitzpatrick
Senior Executive Leader
Investment Managers and Superannuation