

HWLE SUPER WRAP-UP | 22 APRIL 2022

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WHAT'S NEW?

Key developments since 28 March 2022.

No.	What	Who	Need to Know	Important Dates	Links
1.	ASIC enforcement update	ASIC regulated entities	ASIC released its enforcement update for July to December 2021. ASIC said it has completed all its investigations stemming from the Financial Services Royal Commission.	ASIC's enforcement update was released on 28 March 2022.	Access ASIC's enforcement update here .
2.	ATO decision impact statement - High Court case	Employers Employees Independent contractors	<p>The ATO issued a decision impact statement on the recent High Court decision in <i>Construction, Forestry, Maritime, Mining and Energy Union v Personnel Contracting Pty Ltd</i> [2022] HCA 1 (in which the High Court examined what made a person an employee or a contractor, and ultimately decided that the person in question was an employee).</p> <p>The ATO said it will review the implications of the decision for its relevant products, including Superannuation Guarantee Ruling SGR 2005/1 (<i>Superannuation guarantee: who is an employee?</i>), SGR 2005/2 (<i>Superannuation guarantee: work arranged by intermediaries</i>), Taxation Ruling TR 2005/16 (<i>Income tax: Pay As You Go - withholding from payments to employees</i>) and TR 2013/1 (<i>Income tax: the identification of 'employer' for the purposes of the short-term visit exception under the Income from Employment Article, or its equivalent, of Australia's tax treaties</i>).</p>	The decision impact statement was issued on 31 March 2022.	Read the ATO's decision impact statement here .
3.	Business introduction services - Extension of relief	Providers of a business introduction service	On 1 April 2022, the relief under the <i>ASIC Corporations (Repeal and Transitional) Instrument 2017/186</i> , which preserves the effect of Class Order [CO 02/273] was extended by <i>ASIC Corporations (Amendment) Instrument 2022/0077</i> . The effect of Class Order [CO 02/273] was to provide relief from the fundraising, financial product disclosure, hawking and advertising requirements in the <i>Corporations Act 2001</i> (Cth) that would apply to a person making or calling attention to offers of securities or interests in a registered managed investment scheme through a business introduction service.	<p>The Instrument commences on 1 April 2022.</p> <p>Further amendments to the relief will apply from 1 October 2022 until 1 April 2025.</p>	<p>Access the Instrument here.</p> <p>Access Class Order [CO 02/273] here.</p>

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			<p>The extended relief for business introduction services is subject to a new requirement that persons who rely on the relief from 1 April 2022 must provide written notice to ASIC setting out:</p> <ul style="list-style-type: none"> the name of the person; each exemption specified in specified in ASIC Class Order [CO 02/273] as in force immediately before its repeal which the person relies on; and the date the person started to rely on the exemption(s). <p>From 1 October 2022, the relief will be further amended to:</p> <ul style="list-style-type: none"> extend the relief for interests in managed investment schemes until 1 April 2025; and clarify that the design and distribution obligations (DDO) apply to persons who, but for the relief, would otherwise need to comply with the DDO. <p>At this stage, ASIC does not intend to remake the relief when it is due to expire on 1 April 2025.</p>		
4.	Government Co-Contribution - Regulations re-made	Super funds	<p>The <i>Superannuation (Government Co-contribution for Low Income Earners) Regulations 2022</i> (Cth) commenced on 1 April 2022. The Regulations remake the <i>Superannuation (Government Co-contribution for Low Income Earners) Regulations 2004</i> (Cth) (2004 Regulations), which lapsed on 1 April 2022. The 2004 Regulations provided for Government co-contributions to be made towards the superannuation of low-income earners.</p> <p>Substantive changes made by the new Regulations include:</p> <ul style="list-style-type: none"> amendments to the definition of an 'eligible account' to exclude accounts which only provide terminal medical condition benefits in addition to the existing exclusion on accounts which provide only death or incapacity benefits; and clarification of the account to which payment is made if a person has multiple eligible accounts. 	The Regulations commenced on 1 April 2022.	Access the Regulations here , and explanatory statement here .
5.	Family law proceedings - Superannuation	Super funds Super fund members	<p>Schedule 5 to the <i>Treasury Laws Amendment (2021 Measures No. 6) Act 2021</i> (Cth) amends the <i>Tax Administration Act 1953</i> (Cth) and the <i>Family Law Act 1975</i> (Cth) to create a mechanism for sharing superannuation information for family law proceedings. From 1 April</p>	Commenced on 1 April 2022 (except in relation to de facto	Access the Act here .

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	information sharing		<p>2022, parties to family law proceedings (except for de facto couples in Western Australia) can apply to family law courts to request their former partner's superannuation information, held by the ATO.</p> <p>Part 2 to Schedule 5 of the Act makes amendments to allow information sharing for de facto couples in Western Australia once the legislation allowing super splitting for these couples comes into effect.</p>	couples in Western Australia).	
6.	Commutation of non-capped defined benefit income streams - Instrument registered	<p>Employees</p> <p>Superannuation funds</p>	<p>On 4 April 2022, the Treasury registered the <i>Treasury Laws Amendment (Allowing Commutation of Certain Income Streams) Regulations 2022</i> (Cth).</p> <p>The Regulations amend the following regulations to make minor and technical changes that address unintended outcomes arising from the inability of recipients of certain non-capped defined benefit income streams (that were commenced on or after 1 July 2017) to address excess transfer balance amounts:</p> <ul style="list-style-type: none"> • <i>Income Tax Assessment (1997 Act) Regulations 2021</i> (Cth); • <i>Retirement Savings Accounts Regulations 1997</i> (Cth); and • <i>Superannuation Industry (Supervision) Regulations 1994</i> (Cth). 	The Regulations took effect on 5 April 2022.	Access the Regulations here .
7.	Family law proceedings - Western Australian (WA) de facto superannuation splitting	WA de facto couples who are party to family law proceedings	<p>On 6 April 2022, the WA Government introduced into the WA Parliament the <i>Family Court Amendment Bill 2022</i> (WA). This Bill amends the <i>Family Court Act 1997</i> (WA) to allow superannuation splitting matters for separating de facto couples in WA to be heard under the Federal <i>Family Court Act 1975</i> (Cth), at the same time that all other aspects of the property settlement are heard under the West Australian <i>Family Court Act 1997</i> (WA).</p> <p>This Bill is intended to circumvent the need for the state based regulations to allow super splitting for de facto couples in WA.</p>	The Bill was introduced on 6 April 2022 and the provisions will take effect the day after the Bill receives assent.	Access the Bill here .
8.	ASIC surveillance of investment switching - Super trustee governance improved	<p>Superannuation trustees</p> <p>Directors and senior executives of</p>	ASIC raised concerns to several superannuation trustees regarding a lack of oversight and control measures in relation to personal investment switching by directors and senior executives of superannuation trustees, from potentially misusing price sensitive information for personal gain. On 6 April 2022, ASIC was satisfied no	ASIC was satisfied that no further action is warranted on 6 April 2022.	Access ASIC's media release here .

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		superannuation trustees	<p>further action is warranted against any individuals in relation to the identified transactions.</p> <p>In response to ASIC's concerns, superannuation trustees have committed to implementing a range of changes to improve arrangements for managing conflicts, including:</p> <ul style="list-style-type: none"> • updating or establishing policies and practices to address the deficiencies highlighted by ASIC through: <ul style="list-style-type: none"> ○ identifying switching as a potential conflict of interest; ○ incorporating steps to prevent inappropriate trading (e.g. blackout periods or trading windows); and ○ expanding conflicts arrangements to cover trading by related parties of directors and senior executives; • increasing board-level engagement so there is greater board oversight, input and direction. For instance, increased monitoring of staff transactions and reporting back to the board, including switching activity; • increasing staff awareness of the policies and their obligations through greater internal communication and training; and • undertaking an independent review of the trustee's broader conflicts management frameworks. 		
9.	Penalty order - Incorrectly charging commission payments to super fund members	Superannuation trustees Superannuation members	On 8 April 2022, the Federal Court ordered BT Funds Management Limited (BT Funds) to pay a \$20 million penalty for incorrectly charging commission payments on the insurance premiums of members of one of its superannuation funds, despite these commissions being banned under the Future of Financial Advice reforms in 2013.	The orders were made on 8 April 2022.	<p>Access ASIC's media release here.</p> <p>Access the statement of facts here.</p> <p>Access the orders of the Federal Court here.</p>
10.	Repeal of ASIC instrument - COVID-19 temporary relief for financial advice	Financial advisers	<p>The temporary relief facilitating the provision of urgent advice in response to the COVID-19 pandemic in <i>ASIC Corporations (COVID-19—Advice-related Relief) Instrument 2021/268</i> was repealed on 15 April 2022. The following exemptions for the requirement to provide a statement of advice will no longer apply:</p> <ul style="list-style-type: none"> • where a record of advice is given to existing clients for advice required due to the impact of the COVID-19 pandemic; and 	The Instrument was repealed on 15 April 2022.	<p>Access ASIC's media release here.</p> <p>Access the Instrument here.</p>

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			<ul style="list-style-type: none"> where time-critical statements of advice are required as a result of urgent advice given in relation to the effects of the COVID-19 pandemic. 		
11.	<i>CPS 226 Margining and risk mitigation for non-centrally cleared derivatives - New Prudential Standard</i>	APRA-regulated entities	APRA has released the new <i>Prudential Standard CPS 226 Margining and risk mitigation for non-centrally cleared derivatives (CPS 226)</i> which contains new requirements for RSEs that transact in non-centrally cleared derivatives, including specific requirements for the exchange of collateral in relation to derivatives transactions.	APRA-regulated entities must comply with CPS 226 from 18 April 2022.	Access CPS 226 here .
12.	APRA consultation - Definition of Significant Financial Institution	APRA-regulated institutions	On 4 April 2022, APRA commenced consultation to adopt a single, aligned definition of 'Significant Financial Institution' across the banking, superannuation and insurance prudential standards. Amendments would be made to the following prudential standards: <ul style="list-style-type: none"> <i>Prudential Standard CPS 511 Remuneration</i>; <i>Prudential Standard APS 110 Capital Adequacy</i>; <i>Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk</i>; and <i>Prudential Standard APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk</i>. 	Submissions close on 2 May 2022.	Access the letter to industry and draft prudential standards here .
13.	APRA data collection - Phase 2 consultation of Superannuation Data Transformation Project	APRA-regulated entities	On 4 April 2022, APRA commenced consultation on phase 2 of its Superannuation Data Transformation project. In phase 2, APRA will focus on improving the depth and granularity of the data it collects across all the superannuation industry's business operations.	Submissions close on 12 May 2022.	Access the discussion paper here .
14.	Crypto-assets: Risk management expectations and policy roadmap - APRA letter	APRA-regulated entities	On 21 April 2022, APRA released a letter to APRA-regulated entities setting out its risk management expectations and policy roadmap for crypto-assets. APRA expects that all entities will conduct appropriate due diligence before engaging in activities associated with crypto-assets, consider the requirements of <i>Prudential Standard CPS 231 Outsourcing</i> or <i>Prudential Standard SPS 231 Outsourcing</i> when relying on a third party in conducting activities involving crypto-assets, and apply robust risk management controls.	Draft prudential standard expected in mid-2022.	Access ASIC's letter here .

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			APRA intends to release a draft prudential standard for consultation in mid-2022, on the operational risk requirements for APRA-regulated entities, including management of risks associated with crypto-asset activities.		
15.	APRA consultation - Additional draft life and general insurance reporting standards	Life insurers General insurers	<p>On 6 April 2022, APRA released for consultation:</p> <ul style="list-style-type: none"> • additional draft life and general insurance reporting standards impacted by the introduction of the <i>Australian Accounting Standards Board 17 Insurance Contracts</i>; and • further revisions to the private health insurers reporting standards. <p>This follows APRA's consultations published on 13 December 2021 on draft standards to integrate AASB 17 into the life and general insurance capital framework and reporting framework, and on the measures designed to strengthen the capital framework for private health insurers.</p>	Submissions for both consultations are due on 3 June 2022.	<p>Access the draft general insurance and life insurance reporting standards here.</p> <p>Access the draft private health insurance reporting standards here.</p>
16.	APRA data collection - Five-year data collection roadmap	APRA-regulated entities	<p>On 31 March 2022, APRA released its discussion paper, <i>Direction for data collections</i>, on their evolving approach to data collection, the rationale for these changes and an outline of the 5-year implementation roadmap.</p> <p>APRA intends to collect richer data by transitioning away from, and eventually decommissioning APRA's current data collection system, Direct to APRA, and moving all of its data reporting across to APRA Connect by 2027.</p>	Submissions are due on 24 June 2022.	Access the discussion paper here .
17.	Key superannuation rates and thresholds for 2022-23	Superannuation trustees Superannuation members	On 11 April 2022, the ATO published the indexed superannuation rates and thresholds for 2022-23.	New rates and thresholds apply from 1 July 2022	The indexed superannuation caps and thresholds for 2022-23 are available here .
18.	Financial reporting and auditing requirements for	RSEs	The <i>Treasury Laws Amendment (Streamlining and Improving Economic Outcomes for Australians) Bill 2022</i> (Cth) introduced to the House of Representatives on 17 February 2022 lapsed at dissolution of the House of Representatives on 11 April 2022.	The Bill lapsed at dissolution of the House of	Access the Bill and explanatory memorandum here .

No.	What	Who	Need to Know	Important Dates	Links
	RSEs - Bill lapsed		Schedule 2 to the Bill was intended to amend the <i>Corporations Act</i> (Cth), the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) and the <i>Superannuation Industry (Supervision) Act 1993</i> (Cth) (SIS Act) to extend and adapt the financial reporting and auditing requirements in Chapter 2M of the <i>Corporations Act 2001</i> (Cth) to apply to RSEs.	Representatives on 11 April 2022. The changes to the SIS Act were intended to take effect from 1 July 2024.	
19.	Your Future, Your Super - Public sector superannuation legislation - Bill lapsed	Super funds	<p>The <i>Public Sector Superannuation Legislation Amendment Bill 2022</i> (Cth) introduced to the House of Representatives on 17 February 2022 lapsed at dissolution of the House of Representatives on 11 April 2022.</p> <p>The Bill was intended to implement certain 'Your Future, Your Super' reforms to:</p> <ul style="list-style-type: none"> enable the Commonwealth to make employer superannuation contributions for new parliamentarians to a chosen, stapled or default fund and provide for the determination of a default fund for parliamentarians if an existing default fund is unable to accept new members due to failing the annual performance test for MySuper products for two consecutive years; provide for the determination of an alternative default fund for Australian Public Service employees if the Public Sector Superannuation Accumulation Plan is unable to accept new members due to failing the annual performance test for MySuper products for two consecutive years; and <i>Federal Circuit and Family Court of Australia Act 2021</i> (Cth) to enable the Commonwealth to make employer superannuation contributions for judges of the Federal Circuit and Family Court of Australia to a chosen, stapled or default fund in various circumstances. 	<p>The Bill lapsed at dissolution of the House of Representatives on 11 April 2022.</p> <p>The amendments were to take effect the day after the Bill received Royal Assent.</p>	Access the Bill and explanatory memorandum here .
20.	Modernising business communications - Bill lapsed	RSE Licensees Beneficiaries	The <i>Treasury Laws Amendment (Modernising Business Communications) Bill 2022</i> (Cth) introduced to the House of Representatives on 17 February 2022 lapsed at dissolution of the House of Representatives on 11 April 2022. The Bill was intended to build on recent reforms in the <i>Corporations (Meetings and Documents) Act 2020</i> (Cth), to introduce a 'global communications regime' for documents sent under the <i>Corporations Act 2001</i> (Cth).	The Bill lapsed at dissolution of the House of Representatives on 11 April 2022.	Access the Bill and explanatory memorandum here .

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			<p>The Bill was intended to replace provisions in the <i>Superannuation Industry (Supervision) Act 1993</i> (Cth) that require or permit APRA notices regarding RSE licence applications and APRA notice to beneficiaries of the winding up of superannuation entities to be published in newspapers with technology neutral rules.</p>	<p>If the Bill is re-introduced in its current form, the date APRA no longer has to advertise notices in newspapers will be proclaimed, or if not proclaimed, will be 6 months from the date of Royal Assent.</p>	
21.	Financial Accountability Regime - Bill lapsed	APRA-regulated entities	<p>The <i>Financial Accountability Regime Bill 2021</i> (Cth) (FAR Bill) and <i>Financial Sector Reform (Hayne Royal Commission Response No. 3 Bill) 2021</i> (Cth) (Response Bill) lapsed at dissolution of the House of Representatives on 11 April 2022.</p> <p>The FAR Bill was intended to establish the new financial accountability regime (FAR) for the banking, insurance and superannuation industries, imposing accountability, key personnel, deferred remuneration and notification obligations on APRA-regulated entities and their directors and senior executives, to be jointly administered by ASIC and APRA.</p> <p>Schedules 1 and 2 to the Response Bill was intended to make minor and consequential amendments to various Commonwealth laws to support the new FAR, and provide transitional arrangements relating to the repeal of the existing Banking Executive Accountability Regime under the <i>Banking Act 1959</i> (Cth).</p>	<p>The FAR Bill and the Response Bill lapsed at dissolution of the House of Representatives on 11 April 2022.</p> <p>If the Bill is re-introduced in its current form, the FAR is intended to apply to the insurance and superannuation industries on the later of 1 July 2023, or 18 months after Royal Assent.</p>	<p>Access the FAR Bill and explanatory memorandum here.</p> <p>Access the Response Bill and explanatory memorandum here.</p>
22.	Compensation Scheme of Last Resort (CSLR) - Bill lapsed	AFCA members	<p>The <i>Financial Services Compensation Scheme of Last Resort Levy Bill 2021</i> (Cth) (Levy Bill) and <i>Financial Services Compensation Scheme of Last Resort Levy (Collection) Bill 2021</i> (Cth) (Collection Bill) lapsed at dissolution of the House of Representatives on 11 April 2022.</p> <p>The Levy Bill and the Collection Bill were intended to form the levy framework for the Financial Services Compensation Scheme of Last Resort established in Schedule 3 of the Response Bill.</p>	<p>The Levy Bill and the Collection Bill lapsed at dissolution of the House of Representatives on 11 April 2022.</p> <p>If the Bill is re-introduced in its current form, the</p>	<p>Access the Levy Bill and explanatory memorandum here.</p> <p>Access the Collection Bill and explanatory memorandum here.</p>

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			The CSLR was intended to compensate consumers where the AFCA has made a determination in their favour that remains unpaid.	CSLR and the supporting levy framework are intended to commence the day after Royal Assent.	
23.	Superannuation calculators and retirement estimates - Extension of relief	Superannuation trustees Consumer groups	<p><i>ASIC Corporations (Repeal and Transitional - Relief for Providers of Retirement Estimates) Instrument 2022/204</i> was registered on 29 March 2022 and repeals ASIC Class Order [CO 11/1227 (<i>Relief for providers of retirement estimates</i>)] while providing transitional relief to extend its effect until 21 December 2022.</p> <p>Class Order [CO 11/1227] gave conditional relief from the licensing, conduct and disclosure obligations relating to personal advice in the <i>Corporations Act 2001</i> (Cth) that might otherwise apply to superannuation fund trustees who prepare retirement estimates for their members. The effect of the Instrument will allow superannuation trustees to use the relief when sending annual statements to members for the 2021-22 financial year.</p> <p>ASIC intends to make a legislative instrument for both superannuation calculators and retirement estimates, that will not prevent trustees relying on the existing relief as there will be a transitional period.</p>	<p>Transitional relief for providers of retirement estimates has been extended until 31 December 2022.</p> <p>The new legislative instrument for both superannuation calculators and retirement estimates is due before the end of June 2022.</p>	<p>Read ASIC's media release here.</p> <p>Access the Instrument here.</p>
24.	Internal dispute resolution data reporting requirements - ASIC instrument registered	Financial services licensees Trustees of a regulated superannuation fund	<p>On 30 March 2022, ASIC registered the <i>ASIC Corporations (Internal Dispute Resolution Data Reporting) Instrument 2022/205</i>.</p> <p>The Instrument specifies the information that financial services licensees must give ASIC relating to their internal dispute resolution (IDR) procedures. Trustees of a regulated superannuation fund (among others) are required to report to ASIC as if they were a financial services licensee, by providing data to ASIC every 6 months in a specified form.</p> <p>An 'initial cohort' comprising AMP Limited, United Super Pty Ltd, Unisuper Limited, Retail Employees Superannuation Pty. Limited and AustralianSuper Pty Ltd and their subsidiaries (among others) will be</p>	Financial services licensees and trustees of a regulated superannuation fund must give the IDR information by 31 December 2022 if they are part of 'initial cohort' as defined in the Instrument, or otherwise by 30 June 2023.	Access the Instrument here .

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			required to provide the IDR information by 31 December 2022, ahead of the reporting period ending on 30 June 2023 for entities which are not part of the 'initial cohort'.		
25.	Minimum pension drawdowns - Extension of 50% reduction	Super funds	The <i>Superannuation Legislation Amendment (Superannuation Drawdown) Regulations 2022</i> (Cth) extends the temporary 50% reduction in minimum annual payment amounts for superannuation pensions and annuities by a further year to 30 June 2023. The minimum drawdown requirements determine the minimum amount of a pension that a retiree must draw from their superannuation each year.	The extension of the 50% reduction in minimum annual payments for superannuation pensions and annuities is extended to 30 June 2023.	Access the Regulations here .
26.	Financial assistance - NSW police officers who have incurred a tax liability from exceeding the non-concessional contribution cap	NSW police officers	<p>The Australian Government is providing transitional funding for the equal sharing of the costs (by the Commonwealth and New South Wales Governments) to reimburse New South Wales police officers who incur additional taxes from making contributions that exceed the concessional contributions cap.</p> <p>Eligible contributions are those made from 2016-17 to 2019-20 which exceed the concessional contributions cap due to compulsory employer contributions to superannuation for death and disability insurance premiums. Reimbursements will be made in arrears over a five-year period.</p>	The Schedule to the agreement which replaces the existing Project Agreement on Financial Assistance for Police Officers is expected to expire on 30 June 2023.	Access the Schedule to the agreement here .

COMING UP...

Reforms and other measures which are about to commence.

No.	What	Who	Need to know	Important dates	Links
1.	Strengthening crisis preparedness - APRA consultation	APRA-regulated entities	<p>On 2 December 2021, APRA released a discussion paper and two draft prudential standards aimed at strengthening crisis preparedness, for consultation.</p> <p><i>Draft Prudential Standard CPS 190 Financial Contingency Planning</i> introduces requirements for all APRA-regulated entities to develop contingency plans for managing financial stress, including plans for rebuilding financial resilience or effecting an orderly exit.</p> <p><i>Draft Prudential Standard CPS 900 Resolution Planning</i> requires large or complex entities, or those that provide critical functions to the economy, to be prepared for resolution so that, in the event of their failure, risks to beneficiaries and to financial system stability would be minimised.</p>	Submissions are due by 29 April 2022.	Access the discussion paper and draft prudential standards here .
2.	Quality of Advice Review - Submissions	AFS licensees	<p>On 11 March 2022, the Government released the Terms of Reference for its Quality of Advice Review.</p> <p>The review will consider how the regulatory framework can better facilitate the provision of high quality, accessible and affordable financial advice for retail clients. Amongst other things, it will investigate:</p> <ul style="list-style-type: none"> • whether there are opportunities to streamline regulatory compliance obligations to reduce cost and remove duplication; • whether principles-based regulation could replace rules-based regulation, to better address harms and reduce the cost of compliance; • how to simplify documentation and disclosure requirements, to improve the clarity of information given to consumers; and • whether parts of the regulatory framework have undesirable unintended consequences. 	<p>Submissions are due on 3 June 2022.</p> <p>A report will be provided to the Government by 12 December 2022.</p>	<p>Read the press release issued by the Minister for Superannuation, Financial Services and the Digital Economy, here.</p> <p>Access the Terms of Reference here.</p>

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			This will give effect to the Government's response to recommendations 2.3, 2.5 and 2.6 of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.		
3.	Non arm's length expenditure for super funds - Transitional compliance approach	Super funds	<p>The ATO has amended <i>Practical Compliance Guideline PCG 2020/5</i> to extend the compliance approach to the 2021-22 financial year.</p> <p>The ATO will not allocate compliance resources to determine whether the income of a complying super fund is non-arm's length income where the fund incurred non-arm's length expenditure of a general nature that has a sufficient nexus to all ordinary and or statutory income derived by the fund for the 2018–19 to 2021–22 income years (for example, non-arm's length expenditure on accounting services).</p>	The transitional compliance approach only applies to general expenditure incurred on or before 30 June 2022.	Read the updated practical compliance guide on the ATO's website here .
4.	Insurance in Superannuation - SPS 250 and SPG 250	Superannuation trustees	<p>The final revisions to <i>Prudential Standard SPS 250 Insurance in Superannuation (SPS 250)</i> and the accompanying <i>Prudential Practice Guide SPG 250 Insurance in Superannuation (SPG 250)</i> are aimed at ensuring better member outcomes through updated requirements for trustees to select, manage and monitor members' insurance arrangements.</p> <p>The revised SPS 250 will require trustees to:</p> <ul style="list-style-type: none"> strengthen arrangements to protect members from potential adverse outcomes caused by conflicted life insurance arrangements; obtain an independent certification of related party insurance arrangements before entering into, or materially altering, an insurance arrangement, and on a triennial basis; and strengthen data management to improve analysis of member outcomes across different groups of superannuation fund members. <p>The revised SPG 250 will facilitate easy opt-out of insurance for members, and ensure premiums do not unduly erode members' retirement incomes.</p>	The revised SPS 250 will take effect on 1 July 2022.	<p>Read the APRA media release here.</p> <p>Access SPS 250 here.</p> <p>Access SPG 250 here.</p>

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5.	Enhancing Superannuation Outcomes Package - Legislation and supporting regulations	Super funds Employers	<p>The <i>Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Act 2021</i> (Cth) received Royal Assent on 22 February 2022.</p> <p>The Act:</p> <ul style="list-style-type: none"> removes the \$450-a-month threshold before an employee's salary or wages count towards the superannuation guarantee; increases the limit on the maximum amount of voluntary contributions made over multiple financial years that are eligible to be released under the First Home Super Saver Scheme from \$30,000 to \$50,000; reduces the eligibility age for individuals to make downsizer contributions from 65 to 60 years of age; applies the work test to individuals aged between 67 to 75 years who claim a deduction for personal superannuation contributions, and allow such individuals to make or receive non-concessional superannuation contributions under the bring forward rule; allows trustees to choose to treat all of a fund's assets as not being segregated current pension assets in certain circumstances; and extends the temporary full expensing regime to 30 June 2023. <p>The Government registered the <i>Treasury Laws Amendment (Enhancing Superannuation Outcomes) Regulations 2022</i> (Cth) on 3 March 2022.</p> <p>The Regulations support the amendments in Schedules 3 and 4 of the Act by amending the contribution acceptance rules to simplify them and:</p> <ul style="list-style-type: none"> allow downsizer contributions from individuals who are 60 and above; and allow non-concessional and salary sacrificed contributions for individuals aged between 67 and 74 years without reference to a work test. 	All amendments to the Act take effect from 1 July 2022, except for the extension of the temporary full expensing regime which took effect on 1 April 2022.	<p>Access the Act and explanatory memorandum here.</p> <p>Access the Regulations and explanatory statement here.</p>

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			This implements the 'Flexible Super' package announced in the 2021-22 Budget.		
6.	Retirement Income Covenant	Superannuation trustees	The <i>Corporate Collective Investment Vehicle Framework and Other Measures Act 2022</i> (Cth) received assent on 23 February 2022. Schedule 9 of the resulting act amends the <i>Superannuation Industry (Supervision) Act 1993</i> (Cth) to insert a new covenant requiring trustees of RSEs to develop a retirement income strategy for beneficiaries who are retired or are approaching retirement.	Trustees must formulate a written retirement income strategy and make a summary publically available, by 1 July 2022.	Access the legislation and explanatory memorandum here .
7.	AFCA funding model - Consultation Paper	AFCA members	AFCA is consulting on a proposed new funding model. The proposed user-pays funding model includes a single registration fee, a simplified complaints fee structure and introduces five free complaints per year to all members. It removes the superannuation levy and brings superannuation funds under the same fee structure as other AFCA members.	<p>Consultation period ends on 22 April 2022.</p> <p>New funding model will apply from 1 July 2022.</p>	Access AFCA's media release here .
8.	Corporate Collective Investment Vehicle	Fund managers	<p>The <i>Corporate Collective Investment Vehicle Framework and Other Measures Act 2022</i> (Cth) which was registered on 25 February 2022, amends the <i>Corporations Act 2001</i> (Cth) by introducing the Corporate Collective Investment Vehicle (CCIV), an entity specifically designed for funds management purposes. CCIVs are a new type of company that:</p> <ul style="list-style-type: none"> • are limited by shares; • have a single corporate director, who is a director of a public company with an Australian Financial Services Licence; • has a constitution; • have at least one sub-fund, which may differ in investment strategies; and • must state that it is a CCIV in its name. <p>CCIVs have some key differences to managed investment schemes and other companies, including:</p> <ul style="list-style-type: none"> • CCIVs do not involve the use of trusts; • CCIVs have no officers or employees apart from their corporate director; and 	Corporate Collective Investment Vehicles can be used from 1 July 2022.	<p>Access the Act here.</p> <p>Read the HWL Ebsworth commentary here.</p>

No.	What	Who	Need to know	Important dates	Links
			<ul style="list-style-type: none"> the replaceable rules of the <i>Corporations Act 2001</i> (Cth) do not apply. 		
9.	<i>ASIC Regulatory Guide 97 Disclosing fees and costs in PDSs and periodic statements</i>	<p>Super funds</p> <p>Responsible entities and notified foreign passport funds</p> <p>Platform operators</p> <p>Insurers</p>	<p>Periodic statements for reporting periods commencing on or after 1 July 2021 must comply with the 'new' <i>ASIC Regulatory Guide 97 Disclosing fees and costs in PDSs and periodic statements (RG 97)</i>.</p> <p>Issuers may elect to comply with the PDS requirements now, and must comply with the requirements for PDSs given on or after 30 September 2022.</p>	The 'new' requirements apply to periodic statements for reporting periods commencing on or after 1 July 2021, and any PDS given on or after 30 September 2022.	Access RG 97 here .
10.	Exempt current pension income calculations	Super funds	<p>Schedule 3 to the <i>Treasury Laws Amendment (2021 Measures No. 6) Act 2021</i> (Cth) amended the <i>Income Tax Assessment Act 1997</i> (Cth) to remove the requirement for superannuation trustees to obtain an actuarial certificate when calculating exempt current pension income, where all members of the fund are fully in retirement phase for all of the income year.</p> <p>This is achieved by permitting such funds to use the segregated method to calculate exempt current pension income.</p>	The amendments will apply to assessments from the 2021-22 income year onwards.	Access the Act and explanatory memorandum here .
11.	Removal of occupational exclusions in default life insurance - FSC Standard No. 27	<p>FSC superannuation trustees</p> <p>FSC life insurance companies</p>	<p>The Financial Services Council has released enforceable <i>Standard No. 27: Removal of Occupational Exclusions and Occupation Based Restrictive Disability definitions in Default Cover</i>, which removed occupational exclusions and occupation based restrictive disability definitions in default life insurance cover in superannuation amongst FSC members.</p> <p>The Standard was developed in response to the stapling provisions in the Government's Your Future, Your Super reforms, which may prevent some consumers from claiming on their life insurance cover.</p>	The Standard applied from 10 December 2021, subject to a 12 month transition period.	Access the Standard here .
12.	<i>Prudential Standard CPS 511</i>	APRA-regulated entities	APRA released the final version of <i>Prudential Standard CPS 511 Remuneration (CPS 511)</i> on 27 August 2021, and the finalised	CPS 511 will apply to RSE licensees that are significant	Read APRA's media release on CPS 511 here .

No.	What	Who	Need to know	Important dates	Links
	<p><i>Remuneration and Prudential Practice Guide CPG 511 Remuneration</i></p>		<p><i>Prudential Practice Guide CPG 511 Remuneration (CPG 511)</i> on 18 October 2021.</p> <p>CPS 511 introduces heightened requirements for remuneration and accountability, aimed at creating more balanced incentive structures, promoting financial resilience and supporting better outcomes for customers. Among other things, the standard requires:</p> <ul style="list-style-type: none"> • entities to apply material weight to non-financial metrics (eg. customer complaints, breaches and regulatory and audit findings) when determining variable remuneration for employees; • entities to reduce variable remuneration, potentially to zero, when warranted by poor risk conduct; • new minimum deferral requirements for variable remuneration, coupled with clawback provisions; and • increased board oversight, transparency and accountability on remuneration outcomes. <p>CPS 511 fulfils 3 of the key recommendations of the Royal Commission (recommendations 5.1, 5.2 and 5.3) into Misconduct in the Banking, Superannuation and Financial Services Industry directed towards APRA.</p> <p>CPG 511 sets out guidance on remuneration practices, in support of CPS 511.</p>	<p>financial institutions (SFIs) from 1 July 2023, and non-SFI RSE Licensees from 1 January 2024.</p>	<p>Access CPS 511 here.</p> <p>Read APRA's media release on CPG 511 here.</p> <p>Access CPG 511 here.</p>

WATCH AND WAIT

The section sets out items where we're waiting for further action to be announced or taken.

No.	What	Who	Need to know	Important dates	Links
1.	Climate Risk Self-assessment - APRA letter	APRA-regulated entities	APRA wrote to APRA-regulated entities on 2 March 2022, regarding its upcoming voluntary climate risk self-assessment survey. Medium-to-large APRA-regulated entities will be invited to complete an online questionnaire, assessing how their current practices align with APRA's guidance on managing the financial risks of climate change.	After receiving the questionnaire, entities will have 6 weeks to respond.	Read APRA's statement here . Read APRA's letter here .
2.	Financial Services and Credit Panel (FSCP) - ASIC consults on regulatory guidance	Financial advisers	ASIC released Consultation Paper 359 <i>Update to RG 263 Financial Services and Credit Panel (CP 359)</i> on 28 February 2022 for industry feedback. ASIC is seeking feedback on its approach to: <ul style="list-style-type: none"> determining when to convene a sitting panel of the FSCP; hold hearings of sitting panels using technology; and publicising decisions of sitting panels. 	Submissions closed on 28 March 2022. The final, updated version of RG 263 is slated to be released in May 2022.	Read ASIC's statement and access CPG 359 here .
3.	Remaking ASIC relief on PDS, superannuation dashboards and FSGs - Consultation Paper 358 released	AFS licensees RSE trustees Platform operators	ASIC has released Consultation Paper 358 <i>Remaking ASIC relief on PDSs, superannuation dashboards and FSGs (CP 358)</i> for industry feedback. CP 358 outlines ASIC's proposal to: <ul style="list-style-type: none"> remake, in a single new instrument, relief in instruments that relate to PDS in-use notices for employer-sponsored superannuation and product dashboard disclosure - [CO 12/415], [CO 13/1534] and [CO 14/443]; remake, in a single new instrument, relief in instruments that relate to shorter PDSs and PDS obligations for superannuation trustees, IDPS operators and responsible entities of IDPS-like schemes – [CO 12/749], [CO 13/797] and <i>ASIC Corporations (Superannuation: Investment Strategies) Instrument 2016/65</i>; 	Submissions to CP 358 closed on 12 April 2022.	Read ASIC's media release here . Access CP 358 here .

No.	What	Who	Need to know	Important dates	Links
			<ul style="list-style-type: none"> remake, as a new instrument, an instrument that relates to Financial Services Guides in time critical situations – [CO 12/417]; and give effect to the new instruments for a period until 1 October 2027. 		
4.	Anti-hawking - Charges laid against National Advice Solutions	Super funds Financial advisers	On 21 March 2022, National Advice Solutions Pty Ltd was charged with 11 offences of offering to issue or sell a financial product via unsolicited phone calls.	The matter has been listed for a mention hearing on 16 May 2022.	Read ASIC's media release here .
5.	ASIC action - Misleading or deceptive conduct - REST	Super funds	ASIC commenced proceedings in the Federal Court on 2 March 2021 against Retail Employees Superannuation Pty Ltd, for false or misleading representations made about the ability of its members to transfer their superannuation out of the Retail Employees Superannuation Trust.	The next case management hearing is listed on 3 June 2022.	View the originating process here . Read ASIC's media release here .
6.	Revisions to Prudential Standard SPS 530 Investment Governance	RSE Licensees	<p>On 29 September 2021, APRA released its proposed revisions to <i>Prudential Standard SPS 530 Investment Governance (SPS 530)</i> for consultation.</p> <p>The revised SPS 530 makes a number of enhancements to valuation practices, stress testing and liquidity management practices. This responds to findings from APRA's unlisted asset valuation thematic review and APRA's 2018-2019 post-implementation review of the superannuation prudential framework.</p> <p>APRA also announced that it will consult on the accompanying guidance (<i>Prudential Practice Guide SPG 530 Investment Governance</i>, and <i>Prudential Practice Guide SPG 531 Valuation</i>) later in 2022.</p>	<p>The consultation closed on 16 February 2022.</p> <p>APRA will consult on the accompanying guidance later in 2022.</p> <p>APRA intends for the updated SPS 530 to commence on 1 January 2023.</p>	Learn more here .
7.	Review of Occupational Exclusions in default insurance offered through MySuper	Super funds	The Government released a consultation paper on 2 September 2021 seeking industry feedback on the appropriateness of occupational exclusions in default insurance in MySuper products.	The consultation closed on 14 October 2021.	Learn more about the Consultation here . Access the FSC enforceable standard here .

No.	What	Who	Need to know	Important dates	Links
	Products - Treasury Consultation		<p>The review aimed to canvass views on the extent of the problem arising from occupational exclusions for new members and for members changing jobs, and what changes may be required to the current regulatory framework.</p> <p>Note: The FSC has introduced an enforceable standard (see item Error! Reference source not found. in the Coming Up section) which broadly aligns with Option 4 of the Treasury Consultation - but extends the prohibition to all default group life insurance in MySuper and Choice Products, and default IP Cover. In its submission to the Treasury Consultation, the FSC suggested that the standard will negate the need for a legislative instrument removing issues caused by 'stapling'.</p>		
8.	Updated guidance on Putting Members' Interests First elections and successor fund transfers (SFTs)	Super Funds	<p>The Government has indicated to APRA that it will amend the application and transitional provisions of the <i>Treasury Laws Amendment (Putting Members' Interests First) Act 2019</i> (Cth), so that members who were not required to make an election under that Act, can have their insurance continued in a successor fund without the need to elect for insurance.</p> <p>On 21 October 2021, APRA revised its frequently asked questions on the <i>Putting Members' Interests First</i> laws and <i>Protecting Your Super</i> package, to reflect the Government's intended amendments.</p>	N/A	You can access the revised guidance here .
9.	Changes to commutation rules for excess transfer balance cap amounts	Super funds	<p>On 2 December 2021, the Government released an exposure draft of the <i>Treasury Laws Amendment (Measures for Consultation) Regulations 2021</i> (Cth) for consultation.</p> <p>The draft regulations propose to amend the <i>Superannuation Industry (Supervision) Regulations 1994</i> (Cth), the <i>Retirement Savings Accounts Regulations 1997</i> (Cth) and the <i>Income Tax Assessment (1997 Act) Regulations 2021</i> (Cth) to enable recipients of certain affected products (namely, life expectancy pensions, life expectancy annuities, market-linked pensions and market-linked annuities) commenced on or after 1 July 2017 to undertake commutations to resolve excess transfer balance amounts.</p>	The consultation closed on 15 December 2022.	Access the exposure draft regulations, and explanatory statement, here .

No.	What	Who	Need to know	Important dates	Links
10.	Strengthening financial resilience in superannuation - APRA discussion paper	Super funds	<p>APRA released a discussion paper on 19 November 2021 seeking feedback from superannuation trustees and other industry stakeholders on approaches for RSE licensees to maintain the financial resilience needed to operate effectively and protect members' best financial interests.</p> <p>APRA hopes to gain insights into:</p> <ul style="list-style-type: none"> • the adequacy, purpose and management of financial resources; • the role and use of the operational risk financial requirement; • reserving practices; • protections afforded to RSE licensees via insurance; • RSE licensee's provisioning for contingencies; and • how these practices might need to adapt over time. 	Submissions closed on 11 March 2022.	Find out more here .
11.	Amendments to <i>Prudential Standard SPS 310 Audit and Related Matters</i> - APRA consultation	RSE licensees and RSE auditors	On 10 December 2021, APRA released its proposed amendments to <i>Prudential Standard SPS 310 Audit and Related Matters (SPS 310)</i> for consultation. The updates aim at aligning SPS 310 with recent changes to APRA's reporting standards for superannuation.	Submissions closed on 11 March 2022.	<p>Access APRA's media release here.</p> <p>Access APRA's letter to RSE licensees and RSE auditors here.</p>
12.	2021-22 Federal Budget announcement - Industry working group to consult on legacy life insurance and managed investment product rationalisation	<p>Life insurers</p> <p>Responsible entities and trustees of managed investment schemes</p>	The Government announced in the 2021-22 Budget that \$2.5 million will be provided over 2 years to fund an industry working group to develop a mechanism to facilitate the movement of policyholders and members from closed life insurance products and managed investment products to new products.	N/A	Access the 2021-22 Budget Paper No. 2 here .

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