



Short Form PDS Regime

The federal government recently extended the transition period by which certain financial product issuers have to comply with the short form PDS regime. Such issuers now have until 22 June 2012 to comply. ASIC has recently issued a class order to facilitate the federal government's announcement.

It follows that issuers of certain superannuation products and simple managed investment fund products (**Product Issuers**) have just under 12 months to amend their product disclosure statements (**PDS**) in a manner that complies with the prescriptive nature of the short form PDS regime.

This gives Product Issuers the option to operate under the existing regime until 22 June 2012 or to 'opt-in' to the new regime prior to that date.

▶ A Consequence of New Regime

One consequence of the short form PDS regime is that PDSs will look very similar in light of the prescriptive nature of the new regime. For example, short form PDSs must have certain content, a maximum number of pages and a prescribed font size. It will therefore be more difficult for Product Issuers to differentiate their products to investors.

The extension of the short form PDS transition period provides Product Issuers with a valuable opportunity to review (to the extent that they have begun drafting short form PDSs) or to start seriously considering (to the extent that they have not started drafting short form PDSs) the manner in which they draft the short form PDSs to:

- ensure that they are compliant without removing any significant characteristic of the existing PDS; and
- find space to detail other significant features of their product that will differentiate the Product Issuer from its market competitors.

▶ Other Changes

The federal government's announcement also stated that:

- Risk products such as insurance are excluded from the short form PDS regime, including such products that are provided through a superannuation product; and
- Combined defined benefit and accumulation products are caught by the regime.

Should you have any questions or would like further advice in relation to the short form PDS regime, please contact:

Rick Goldberg | Partner

T: +61 3 9242 4734

E: rick.goldberg@madgwicks.com.au

David Galbally QC | Partner

T: +61 3 9242 4771

E: david.galbally@madgwicks.com.au

Khaled Bajhau | Senior Associate

T: +61 3 9242 4713

E: khaled.bajhau@madgwicks.com.au

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