

## Corporations Regulations Schedule 10 — Disclosure of fees and other costs

*As amended by [CO 14/1252] (and [CO 14/1252] has itself been amended by ASIC instruments 2015/876, 2016/1224, 2017/65, 2017/664, 2017/1138, 2018/697 and 2018/1088)*

(regulations 7.9.16K, 7.9.16M and 7.9.16N)

### Part 1—Interpretation

#### 101 Definitions

In this Schedule:

**activity fee**, for a superannuation product, has the meaning given by [clause 209A](#)~~subsection 29V(7) of the SIS Act~~.

**administration fees and costs** has the meaning given by clause 209A.

**advice fee**

(a) for a superannuation product—~~has the meaning given by subsection 29V(8) of the SIS Act~~ is a fee that relates directly to costs (other than intrafund advice costs) incurred by the trustee, or the trustees, of a superannuation entity because of the provision of financial product advice to a member by:

(i) [a trustee of the entity; or](#)

(ii) [another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and](#)

[those costs are not otherwise charged as administration fees or costs, investment fees or costs, transaction costs, a switching fee, an exit fee, an activity fee or an insurance fee; and](#)

(b) for a collective investment product—means an amount that is:

(i) paid or payable to a financial adviser for financial product advice to a retail client or product holder about an investment; and

(ii) not included in a contribution fee, withdrawal fee, exit fee, establishment fee ~~or~~ management [fees and costs or transaction costs](#).

**balanced investment option** means an investment option in which the ratio of investment in growth assets, such as shares or property, to investment in defensive assets, such as cash or bonds, is as close as practicable to 70:30.

**borrowing costs** means costs, including costs in an interposed vehicle, relating to a credit facility within the meaning of regulation 7.1.06 relating to the provision of credit within the meaning of subregulation 7.1.06(3).

~~to:~~

~~(a) a trustee of a superannuation entity; or~~

~~(b) an interposed vehicle, or a trustee of an interposed vehicle, in or through which the property of a superannuation fund is invested.~~

**brokerage** means an amount paid or payable to a broker for undertaking a transaction for the acquisition or disposal of a financial product.

**buy-sell spread:**

- (a) for a superannuation product—has the meaning given by [clause 209A](#)~~subsection 29V(4) of the SIS Act~~; or
- (b) for a collective investment product—means an amount, deducted from the value of a financial product of a product holder, that represents an apportionment, among product holders, of the actual or estimated ~~transaction~~ costs incurred [in transactions](#) by the managed investment scheme; [and](#)
- (c) [despite paragraphs \(a\) and \(b\), in clause 103\(1\) and 209\(j\) \(unless otherwise specified\)—means an amount that is:](#)
  - (i) [deducted from the value of an investment that represents an apportionment, among investors, of the actual or estimated costs incurred in transactions by the investment; and](#)
  - (ii) [incurred by a superannuation trustee, responsible entity or operator of a notified foreign passport fund.](#)

**collective investment product** means a managed investment product or a foreign passport fund product.

**contribution fee** means an amount paid or payable against the initial, and any subsequent, contributions made into a product by or for a retail client for the product.

Note: A contribution may be made by an employer on behalf of the product holder or retail client.

**counterparty spread** means [\[for further information, see proposal B7 of Consultation Paper 308 Review of RG 97 Disclosing fees and costs in PDSs and periodic statements \(CP 308\)\]](#).

**distribution costs** means the costs or amounts paid or payable for the marketing, offer or sale of a product.

Note: This includes any related adviser remuneration component other than an advice fee.

**establishment fee** means an amount paid or payable for the establishment of a client's interest in a product.

Note: This does not include contribution fees paid or payable against the initial contribution into the product.

**excluded transactional and operational costs** [has the meaning given by clause 103\(2\).](#)

**exit fee:**

- (a) for a superannuation product—has the meaning given by [clause 209A](#)~~subsection 29V(6) of the SIS Act~~; and
- (b) for a collective investment product—means an amount paid or payable on the disposal of all interests held in the product.

**financial year** means:

- (a) in relation to a collective investment product—a financial year of the registered scheme or notified foreign passport fund to which the managed investment product [or foreign passport fund product](#) relates; and

- (b) in relation to a superannuation product—a period of 12 months ending at the end of a fund reporting period determined under regulation 7.9.32 for holders of the superannuation product.

**incidental fees** means costs or amounts, other than costs or fees defined in this clause, that are:

- (a) paid or payable in relation to the product; and
- (b) not material to a retail client's decision to acquire, hold or dispose of his or her interest in the product.

Example: Cheque dishonour fees.

**indirect cost** has the meaning given by clause 101A.

**insurance fee**, for a superannuation product means a fee;~~has the meaning given by subsection 29V(9) of the SIS Act.~~

(a) that relates directly to either or both of the following:

- (i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;
- (ii) costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- (b) that does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- (c) where the premiums and costs to which the fee relates are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a switching fee, an exit fee, an activity fee or an advice fee.

**interposed vehicle** has the meaning given by clause 101B.

**intrafund advice costs** means, for a superannuation product, costs incurred by the trustee of the superannuation entity (other than costs charged as advice fees) in making available to all members investing in a particular MySuper product or investment option financial product advice by:

- (a) a trustee of the entity; or
- (b) another person acting as an employee of, or under an arrangement with, the trustee of the entity.

**investment fees and costs** has the meaning given by clause 209A.

**lifecycle MySuper product** has the meaning given by regulation 7.9.07N.

**lifecycle stage** has the meaning given by regulation 7.9.07N.

**management fees and costs** has the meaning given by clause 102.

**performance**, ~~of a collective investment product, a superannuation product, a MySuper product, or an investment option includes:~~

- ~~(a) income in relation to the assets of, or attributed to, the collective investment product, the superannuation product, the MySuper product or the investment option; and~~
- ~~(b) capital appreciation (realised or unrealised) to the value of the collective investment product, product, the superannuation product, the MySuper product or the investment option.~~

**performance fee** ~~has the meaning given in clause 101C. means an amount paid or payable, calculated by reference to the performance of a collective investment product, a superannuation product, a MySuper product, or an investment option.~~

**property operating costs** means amounts that are paid or payable in relation to the holding of real property or an interest in real property, ~~but do not include any of the following:~~

- ~~(a) borrowing costs;~~
- ~~(b) amounts that are paid or payable relating to the acquisition or disposal of real property or an interest in real property;~~
- ~~(c) an amount that is otherwise charged as any of the following:~~
  - ~~(i) an administration fee;~~
  - ~~(ii) a buy sell spread;~~
  - ~~(iii) a switching fee;~~
  - ~~(iv) an exit fee;~~
  - ~~(v) an activity fee;~~
  - ~~(vi) an advice fee;~~
  - ~~(vii) an insurance fee.~~

**responsible person** means the person who, or on whose behalf, a Product Disclosure Statement for a financial product is required to be prepared.

**service fees** means advice fees, special request fees and switching fees.

**special request fees** includes fees paid or deducted from a product holder's collective investment product for a request made to the managed investment scheme.

Example: This applies to a fee for a request for additional information from a managed investment scheme.

**switching fee:**

- (a) for a MySuper product—has the meaning given by clause 209A subsection 29V(5) of the SIS Act; or
- (b) for a superannuation product other than a MySuper product—means a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another; or
- (c) for a collective investment product—means an amount paid or payable when a product holder transfers all or part of the product holder's interest in the collective investment product from one investment option to another.

**transaction costs** has the meaning given by clause 103(1).

**withdrawal fee** means an amount, other than an exit fee, paid or payable in respect of:

- (a) a withdrawal; or
- (b) the disposal of an interest in a product.

**101A Indirect costs**

- (1) Despite subsection 1013C(2) of the Act, the indirect cost of a MySuper product, an investment option offered within a superannuation product other than a MySuper product, collective investment product or investment option offered by a managed investment scheme means any amount that:
- (a) either:
    - (i) a responsible person knows, or reasonably ought to know or, where this is not the case, may reasonably estimate has reduced or will reduce (as applicable) whether directly or indirectly the return on the product or option that is paid from or reduces the amount or value of:
      - (A) the income of or the property attributable to the product or option; or
      - (B) the income of or the property attributable to an interposed vehicle in or through which the property attributable to the product or option is invested; or
    - (ii) satisfies both the following:
      - (A) the amount is paid or payable by or on behalf of a person who may make payments that form part of the return on, or the value of, the product or option whether directly or through an interposed vehicle; and
      - (B) payment of the amount is a benefit that increases the returns or value of the product or option or provides a benefit to the issuer in relation to the product or option that is retained by the issuer; and
  - ~~(b) for a MySuper product or an investment option offered within a superannuation product other than a MySuper product, is not charged to a member as a fee; and~~
  - ~~(c) is not a fee as defined in clause 209A or an insurance fee; and~~
  - ~~(d) subject to subsection (3), would, if the amount had been paid as a cost out of a superannuation entity, be an investment fee or administration fee for the superannuation product or, if the amount had been paid out of the scheme property of a registered scheme or assets of a notified foreign passport fund, be a management cost of the collective investment product.~~
- (2) For the purposes of subclause (1):
- (a) property is invested in or through an interposed vehicle even if:
    - (i) the property is in turn invested in or through one or more other interposed vehicles; or
    - (ii) the property was invested in the first mentioned interposed vehicle through or by another interposed vehicle; and
  - (b) property is not invested in or through an interposed vehicle if the property is invested in the vehicle by a body, trust or partnership that:

- (i) is not an interposed vehicle; and
  - (ii) is not the trustee or responsible entity.
- (3) Without limiting subclause (1), the indirect costs of a product or investment option referred to in subclause (1) include:
  - (a) the following amounts where the responsible person knows, or reasonably ought to know or, where this is not the case, may reasonably estimate those amounts:
    - (i) in relation to a derivative financial product that is not an option to acquire or dispose of a financial product—the amount that is the difference between the underlying return and the actual return for the derivative financial product, where the actual return on the product or option is less than the underlying return on the derivative financial product over the relevant financial year; or
    - (ii) in relation to a derivative financial product that is an option to acquire or dispose of a financial product—any amount by which the cost incurred to acquire the derivative financial product exceeds the amount that would be obtained on its disposal at that time; or
  - (b) where the responsible person does not know, does not believe they reasonably ought to know, and is not able to reasonably estimate without taking steps that the responsible person considers unreasonable, the amount in paragraph (a) (as applicable) in relation to a derivative financial product—the following amounts in relation to the derivative financial product:
    - (i) in relation to a derivative financial product that is not an option to acquire or dispose of a financial product—the greater of:
      - (A) the amount calculated using the following formula:
$$\text{relevant percentage} \times \text{value} \times (n/365)$$
where:

*n* means the number of days that the derivative financial product was held by the responsible person or interposed vehicle during the relevant financial year-;

*relevant percentage* means 0.1%-; and

*value*, in relation to a derivative financial product, means the value of the ultimate reference assets, in each case taking into account any leverage, offsets or similar adjustments applied to or between the ultimate reference assets under the terms of the derivative financial product; and
      - (B) the minimum amount that the responsible person believes or has reasonable grounds to believe would apply under paragraph (a);
    - (ii) in relation to a derivative financial product that is an option to acquire or dispose of a financial product—the lesser of:
      - (A) the amount that would apply under subparagraph (i) if the exclusion from that subparagraph (i) of options did not apply; and

- (B) the premium paid by the responsible person or interposed vehicle for the option,

where the amount referred to in paragraph (a) or (b) is attributable to:

- (c) the product or investment option; or
- (d) an interposed vehicle through which the property attributable to the product or investment option is invested.

(3A) In subclause (3) [and \(4\)](#):

**actual return** means the return that has been or would be received (as applicable), or loss that would be payable, by the responsible entity, [operator of a notified foreign passport fund](#), trustee or interposed vehicle in relation to the derivative financial product over the relevant financial year if the derivative financial product was:

- (a) acquired at the time the derivative financial product was acquired, or, if the derivative financial product was not acquired during the relevant financial year, acquired at the commencement of the relevant financial year for the same price at which it would have been disposed at the end of the preceding financial year; and
- (b) disposed of at the time the derivative financial product was disposed of, or, if the derivative financial product was not disposed of during the relevant financial year, disposed of at the end of the relevant financial year for the price at which it would have been disposed of at that time.

**derivative financial product** means a financial product that:

- (a) is:
  - (i) a derivative; or
  - (ii) either:
    - (A) a security other than a share in a body or a debenture of a body; or
    - (B) a collective investment product or financial product referred to in paragraph 764A(1)(ba) of the Act other than an interest in a managed investment scheme,

under which:

- (C) financial products (**delivery products**) will be delivered or an amount paid at a specified time (**maturity**) in the future; and
- (D) the value of the delivery products to be delivered at maturity or the amount to be paid is ultimately determined, derived from or varies by reference to the value or amount of one or more of the following (each, a **reference asset**):
  - (I) financial products other than the delivery products;
  - (II) an asset other than a financial product;
  - (III) a rate (including an interest rate or exchange rate);

(IV) an index;

provided that the reference asset is not related to the value of:

(V) a share in a body or debenture of a body to which the delivery products relate; or

(VI) the assets of the managed investment scheme to which the delivery products relate; or

(VII) the assets attributable to a class of interests in the managed investment scheme to which the delivery products relate; and

(b) is not able to be traded on a financial market at the time it is acquired.

***reference asset:***

- (a) in relation to a derivative financial product that is a derivative—means the something else that the amount of the consideration, or the value of the arrangement, is ultimately determined, derived from, or varies by reference to and, if the something else is a rate of interest or inflation, the amount on which that rate is applied under the derivative financial product in determining the amount to be paid or received; [and](#)
- (b) in relation to a derivative financial product that is a security, collective investment product or financial product referred to in paragraph 764A(1)(ba) of the Act other than an interest in a managed investment scheme—has the meaning given by clause 101A(3A)(a)(ii)(D).

***relevant financial year*** means the financial year for which responsible person is calculating indirect costs.

***ultimate reference asset***, in relation to a derivative financial product and each reference asset for the derivative financial product, means:

- (a) to the extent that the reference asset is:
- (i) a derivative financial product; or
  - (ii) rights in an entity that would be an interposed vehicle if it were held by the superannuation entity or scheme; or
  - (iii) an index that includes a derivative financial product referred to in sub-paragraph (i) or rights in an entity referred to in sub-paragraph (ii),

the asset or assets from which the returns from the derivative financial product or rights in the entity are determined, or any asset or assets that are held in or through any other derivative financial products or entities that would be an interposed vehicle if they were held as part of the superannuation entity or scheme; [and](#)

- (b) to the extent that the reference asset is not covered by any of the subparagraphs in paragraph (a)—the reference asset.

***underlying return***, in relation to a derivative financial product, means the return that has been or would be received (as applicable), or loss that would be payable, because of the change in the value of the ultimate reference assets taking into account any leverage, offsets or similar adjustments applied to or between the ultimate reference assets under the terms of each relevant



derivative financial product or interest in an interposed vehicle over the relevant financial year for which the derivative financial product was held.

- (4) Despite subclause (1) and (3), indirect costs of a collective investment product or an investment option of a managed investment scheme do not include amounts referred to in subclause (3):
- (a) where the derivative financial product referred to in subclause (3) is acquired or disposed of for the primary purpose of avoiding or limiting the financial consequences of fluctuations in, or in the value of, receipts or costs of the managed investment scheme whether or not the receipts or costs arise in or through an interposed vehicle; and
  - (b) where the indirect costs were calculated under paragraph (3)(a), to the extent that the difference would result from the incurring of transaction costs and excluded transactional ~~or~~and operational costs in relation to the ultimate reference assets.

~~Note: Costs excluded under subparagraph (4) are likely to be transaction costs under clause 102. Indirect costs for superannuation products generally include transaction costs.~~

### 101B Interposed vehicle

- (1) A body, partnership or trust (each an *entity*) is an *interposed vehicle* in relation to a product or investment option if both of the following are satisfied:
- (a) property attributable to the product or investment option to which the Product Disclosure Statement relates is invested in or through the entity;
  - (b) the responsible person for the Product Disclosure Statement believes or has reasonable grounds to believe that the entity has more than 70% of its assets by value invested in securities or other financial products.
- (2) For the purposes of subclause (1) and subject to subclause (3), in determining whether an entity (the *first entity*) has more than 70% of its assets by value invested in securities or other financial products, disregard for the numerator, securities or other financial products that:
- (a) are reasonably regarded as a means by which the first entity makes an investment in real property or an infrastructure entity; or
  - (b) confer on the first entity control of another entity (the *second entity*), unless the responsible person for the Product Disclosure Statement has reasonable grounds to believe that the second entity has more than 70% of its assets by value invested in securities or other financial products.
- (3) For the purposes of paragraph (2)(b), in determining whether the second entity has more than 70% of its assets by value invested in securities or other financial products, apply subclause (2) to the second entity as if the second entity was the first entity referred to in that subclause.
- (4) An entity is also an *interposed vehicle* in relation to a product or investment option if, having regard to the Product Disclosure Statement for the product or investment option and any other information issued by the responsible person, a security or interest in the entity could be reasonably regarded, by retail clients who may be expected to be given the Product Disclosure Statement or other information, as the means by which the benefit of investments by or through the entity is obtained, rather than the investment of the superannuation entity, registered scheme or notified foreign passport fund to which the product or investment option relates.

- (4A) Subject to subclause (4B), an entity is also an ***interposed vehicle*** in relation to a product or investment option if:
- (a) the Product Disclosure Statement for the product or investment option or any other information issued by the responsible person relating to the product or investment option issued by the responsible person that has been given or may ~~be~~ reasonably be expected to be given to retail clients refers to “property”, “real estate” or “land” or similar terms in the description of the product or investment option or as one of the assets (***relevant asset***) in which investment may be made under the product or investment option; and
  - (b) real property or an interest in land to which the reference relates is directly or indirectly held by or through the entity.
- (4B) An entity is not an ***interposed vehicle*** in relation to a product or investment option because of subclause (4A) if both the following are satisfied:
- (a) the reference in the Product Disclosure Statement or other information is merely part of a reference to an entity (whether specified or not) that directly or indirectly invests in real property or interests in land or to physical infrastructure referred to in paragraphs (a) to (j) of the definition of ***infrastructure entity*** in subclause (6); and
  - (b) a retail client who has read the Product Disclosure Statement or other information could not reasonably believe that the product or investment option or the relevant asset may be intended for persons predominantly intending to benefit from increases in the value of, or returns from holding, real property or an interest in land other than physical infrastructure referred to in paragraphs (a) to (j) of the definition of ***infrastructure entity*** in subclause (6).
- (4C) Subject to subclause (4D), an entity is also an ***interposed vehicle*** in relation to a product or investment option if:
- (a) the Product Disclosure Statement for the product or investment option or any other information issued by the responsible person relating to the product or investment option that has been given or may be reasonably expected to be given to retail clients refers to the product or option as being directly or indirectly invested in or through an entity (whether specified or not) other than an infrastructure entity which the responsible person believes has a majority of its assets invested in physical infrastructure referred to in paragraphs (a) to (j) of the definition of ***infrastructure entity*** in subclause (6); and
  - (b) the reference relates to the entity.
- (4D) An entity is not an ***interposed vehicle*** because of subclause (4C) if:
- (a) either of the following is satisfied:
    - (i) the entity is admitted to the official list of a prescribed financial market or a financial market operated outside of this jurisdiction that is regulated by a foreign government or an agency of a foreign government;
    - (ii) the issuer of the securities or financial products of the entity has applied, or stated in a regulated disclosure that they will apply, for such admission; and
  - (b) the securities or financial products of the entity are, or are to be, held under an investment strategy for the product or investment option that:

- (i) relates to, or is publicly measured by the responsible person by reference to, a widely used index (***reference index***) of securities or financial products of entities that satisfy subparagraph (a)(i); and
- (ii) is a strategy of holding directly or indirectly securities or financial products:
  - (A) of entities that satisfy paragraph (a); and
  - (B) that represent at least 80% by value of the net assets attributable to the investment strategy; and
- (c) the value of all the securities or financial products of the entity that are in the same class as the securities or financial products held under the investment strategy does not exceed 30% of the value of the reference index.

Note: If paragraphs (a) to (c) are satisfied in relation to an entity, the entity may still be an ***interposed vehicle*** because of provisions of clause 101B other than subclause (4C).

- (5) Despite anything in subclauses (1) to (4D), an entity will not be an ***interposed vehicle*** in relation to a product or investment option if all of the following apply:
  - (a) the Product Disclosure Statement for the product or an investment option states that a holder of the product may give instructions, directions or requests for financial products to be acquired;
  - (b) the responsible person for the Product Disclosure Statement has published a list of financial products in relation to which the instructions, directions or requests may be given that includes a security or interest in the entity;
  - (c) the arrangement under which the instructions would be acted on is a custodial arrangement as defined in subsection 1012IA(1) of the Act.

- (6) In this clause:

***infrastructure entity*** means an entity that provides a return to its shareholders or members mainly from owning or operating any of the following:

- (a) airports;
- (b) electricity generation, transmission or distribution facilities;
- (c) gas transmission or distribution facilities;
- (d) hospitals;
- (e) ports;
- (f) railways;
- (g) roads;
- (h) sewerage facilities;
- (i) telecommunication facilities;
- (j) water supply facilities; or

- (k) other physical infrastructure.

### **101C Performance fees**

- (1) Performance fee means an amount paid or payable, calculated by reference to the performance of a collective investment product, a superannuation product, a MySuper product, or an investment option or an interposed vehicle, or of part of such a product, option or vehicle.
- (2) In subclause (1) performance, of a collective investment product, a superannuation product, a MySuper product, or an investment option or an interposed vehicle, or of part of such a product, option or interposed vehicle, includes:
  - (a) income in relation to the assets of, or attributed to, the product, option or interposed vehicle, or part; and
  - (b) capital appreciation (realised or unrealised) to the value of the product, option or interposed vehicle, or part.
- (3) For the purposes of calculating the total performance fees to be included in investment fees and costs and management fees and costs:
  - (a) include the performance fees that accrued in relation to:
    - (i) the product or option or part of such product or option; and
    - (ii) any interposed vehicles referable to that product or option or part of such product or option,each averaged over the previous 5 financial years;
  - (b) where a product, option or interposed vehicle or part was not in operation for the previous 5 financial years, calculate the average by reference to the number of financial years in which the product, option, interposed vehicle or part has operated;
  - (c) where a product, option or interposed vehicle or part did not have a performance fee charging mechanism in place in each of the previous 5 financial years, calculate the average by reference to the number of financial years in which the product, option, interposed vehicle or part had a performance fee charging mechanism in place;
  - (d) where a product, option or interposed vehicle or part was first offered in the current financial year, calculate the average by reference to the responsible person's reasonable estimate of the performance fee for the current financial year adjusted to reflect a 12 month period; and
  - (e) the averaged performance fees for a product, option or interposed vehicle or part must not be negative.

### **102 Management fees and costs**

- (1) **Management fees and costs**, for a collective investment product, means any of the following:
  - (a) an amount payable for administering the managed investment scheme;

- (b) for a custodial arrangement—the cost involved, or amount paid or payable, for gaining access to, or participating in, the arrangement;
  - (c) distribution costs;
  - (d) other expenses and reimbursements in relation to the managed investment scheme;
  - (e) amounts paid or payable for investing in the assets of the managed investment scheme;
  - (f) amounts deducted from a common fund by way of fees, costs, charges or expenses, including:
    - (i) amounts retrieved by an external fund manager or a product issuer; and
    - (ii) amounts deducted from returns before allocation to the fund;
  - (g) ~~estimated~~ performance fees;
  - (h) any other investment-related expenses and reimbursements, including any associated with custodial arrangements; and
  - (i) indirect costs.
- (2) The following fees and costs are not management fees and costs for a collective investment product:
- (a) a contribution fee;
  - (b) transactional costs ~~and operational costs~~ other than those costs under subclause 101A(3);  
(ba) excluded transactional and operational costs;
  - (c) an additional service fee;
  - (d) an establishment fee;
  - (e) a switching fee;
  - (f) an exit fee;
  - (g) a withdrawal fee;
  - (h) costs (related to a specific asset (other than a security or interest in an interposed vehicle or derivative financial product within the meaning of subclause 101A(3A)) or activity to produce income) that an investor would incur if he or she invested directly in the asset;  
and
  - (i) incidental fees.

### 103 Transaction costs

- (1) Transaction costs include any of the following:

- (a) brokerage;
- (b) buy-sell spread;

- (c) settlement costs (including custody costs);
- (d) clearing costs;
- (e) stamp duty;
- (f) [counterparty spreads—for further information see proposal B7 of CP 308];
- (fa) for a collective investment product, the costs in relation to the derivative financial products that satisfy paragraphs (a) or (b) of clause 101A(4);
- (g) costs incurred in or by an interposed vehicle that would be transaction costs if they had been incurred by the superannuation entity to which the superannuation product or investment option relates or for the registered scheme or notified foreign passport fund to which the collective investment products relate;

but does not include:

- (h) excluded transactional and operational costs; and
- (i) costs that are otherwise charged as administration fees and costs, investment fees and costs or management fees and costs.

(2) *Excluded transactional and operational costs* means any of the following:

- (a) borrowing costs;
- (b) property operating costs;
- (c) where an asset is acquired other than through a financial market, any part of the acquisition price of the asset that exceeds the price at which the asset could have been disposed of;
- (d) where an asset is acquired through a financial market, any part of the acquisition price of the asset that exceeds the bid price in the financial market that would apply without the acquisition having occurred either:
  - (i) immediately following the acquisition; or
  - (ii) if the acquisition was a part of multiple acquisitions reflecting a single and non-recurring instruction to acquire, after the last acquisition made in accordance with the instruction.

### **~~103 Transactional and operational costs~~**

~~(1) *Transactional and operational costs* include the following:~~

- ~~(a) brokerage;~~
- ~~(b) buy sell spread;~~
- ~~(c) settlement costs (including custody costs);~~
- ~~(d) clearing costs;~~

- ~~(e) — stamp duty on an investment transaction;~~
- ~~(ea) — where an asset is acquired other than through a financial market, any part of the acquisition price of the asset that exceeds the price at which the asset could have been disposed of;~~
- ~~(eb) — where an asset is acquired through a financial market, any part of the acquisition price of the asset that exceeds the bid price in the financial market that would apply without the acquisition having occurred either:~~
  - ~~(i) — immediately following the acquisition; or~~
  - ~~(ii) — if the acquisition was a part of multiple acquisitions reflecting a single and non-recurring instruction to acquire, after the last acquisition made in accordance with the instruction;~~
- ~~(ec) — property operating costs;~~
- ~~(f) — costs incurred in or by an interposed vehicle that would be transactional and operational costs if they had been incurred by the superannuation entity to which the superannuation product or investment option relates or for the registered scheme or a notified foreign passport fund to which the collective investment products relate;~~

~~and for a superannuation product does not include borrowing costs or costs that are indirect costs because of subclause 101A(3).~~

- ~~(1A) — Before 30 September 2020, transactional and operational costs do not include property operating costs for a MySuper product or investment option if details of the property operating costs are disclosed in accordance with paragraph 209(ma).~~

#### **104 Calculating indirect costs in administration fees and costs and investment fees and costs ratio**

- ~~(1) — The *indirect cost ratio (ICR)*, for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.~~

~~Note: — A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.~~

- ~~(1A) — The *indirect cost ratio (ICR)*, for an investment option offered by a managed investment scheme, is the ratio of the management costs for the option that are not deducted directly from a product holder's account, to the total average net assets of the managed investment scheme that relates to the investment option.~~

~~Note: — A fee deducted directly from a product holder's account is not included in the indirect cost ratio.~~

- ~~(2) — Despite clause 214, the ICR for a Product Disclosure Statement that is available during a particular financial year is to be determined for the previous financial year except that if the product or investment option was not offered from at least 11 months before the end of the previous financial year, the ICR for the Statement is to be determined based on the responsible person's reasonable estimate at the time the Statement is prepared of the ICR that will apply for the current financial year and if the product or investment option was first offered in the current financial year, since the time the product or investment option was first offered, adjusted to reflect a 12 month period.~~

(2A) Despite clause 214, the part of administration fees and costs and investment fees and costs for a MySuper product or an investment option offered by a superannuation entity disclosed in a Product Disclosure Statement that is available during a particular financial year that relates to the costs (including indirect costs) incurred by the trustee of the superannuation entity or in an interposed vehicle or derivative financial product, other than a performance fee, is to be determined:

- (a) based on the costs for the previous financial year; or
- (b) if the product or investment option was offered from at least 11 months before the end of the previous financial year but for less than a full financial year – based on the costs for that period and adjusted, to reflect a 12 month period; or
- (c) if the product or investment option was not offered from at least 11 months before the end of the previous financial year and not first offered in the current financial year – based on the responsible person’s reasonable estimate of the costs for the current financial year at the time the Product Disclosure Statement is prepared; or
- (d) if the product or investment option was first offered in the current financial year – based on the responsible person’s reasonable estimate of the costs for the current financial year at the time the Product Disclosure Statement is prepared, adjusted to reflect a 12 month period.

~~(2A) Despite clause 214, the part of a fee for a MySuper product or an investment option offered by a superannuation entity disclosed in a Product Disclosure Statement that is available during a particular financial year that relates to the costs incurred by the trustee of the superannuation entity or in an interposed vehicle or derivative financial product, is to be determined for the previous financial year except that if the product or investment option was not offered from at least 11 months before the end of the previous financial year, the costs are to be determined based on the responsible person’s reasonable estimate at the time the Statement is prepared of those costs that will apply for the current financial year and if the product or investment option was first offered in the current financial year, since the time the product or investment option was first offered, adjusted to reflect a 12-month period.~~

~~(3) The ICR for a periodic statement is to be determined over the latest reporting period.~~

#### **104A Calculating costs in management fees and costs**

Despite clause 214, the part of the management fees and costs for an investment option offered by a managed investment scheme disclosed in a Product Disclosure Statement that is available during a particular financial year that relates to the costs (including indirect costs) incurred by the responsible entity or the operator of a notified foreign passport fund, or in an interposed vehicle or derivative financial product other than a performance fee, is to be determined:

- (a) based on the costs for the previous financial year; or
- (b) if the investment option was offered from at least 11 months before the end of the previous financial year but for less than a full financial year – based on the costs for that period and adjusted, to reflect a 12 month period; or
- (c) if the investment option was not offered from at least 11 months before the end of the previous financial year and not first offered in the current financial year – based on the responsible person’s reasonable estimate of the costs for the current financial year at the time the Product Disclosure Statement is prepared; or



- (d) if the investment option was first offered in the current financial year – based on the responsible person’s reasonable estimate of the costs for the current financial year at the time the Product Disclosure Statement is prepared, adjusted to reflect a 12 month period.

#### **104A Costs in management costs**

~~Despite clause 214, the part of the management costs for an investment option offered by a managed investment scheme disclosed in a Product Disclosure Statement that is available during a particular financial year that is not a fee payable to the responsible entity or the operator of a notified foreign passport fund, other than a performance fee, is to be determined for the previous financial year except that if the investment option was not offered from at least 11 months before the end of the previous financial year, that part of the management costs is to be determined based on the responsible person’s reasonable estimate at the time the Statement is prepared of those costs that will apply for the current financial year and if the product or investment option was first offered in the current financial year, since the time the product or investment option was first offered, adjusted to reflect a 12 month period.~~

#### **104B Calculating fees and costs in periodic statements**

In periodic statements, fees and costs (including indirect costs) are to be determined over the latest reporting period.

## Part 2—Fees and Costs Summary Template, eExample of annual fees and costs and Consumer Advisory Warning for Product Disclosure Statements

### Division 1—The fees and costs summary template for superannuation products

#### 201 Fees and costs summary Template for superannuation products

##### Fees and other costs

This ~~section document~~ shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

[If relevant] The fees and other costs for each MySuper product offered by the superannuation entity, and each investment option offered by the entity, are set out on page [insert page number].

##### Fees and Costs Summary

<u>[Name of superannuation product]</u>		
<u>Type of fee or cost</u>	<u>Amount</u>	<u>How and when paid</u>
<u>Ongoing annual fees and costs</u>		
<u>Administration fees and costs</u>		
<u>Investment fees and costs<sup>1</sup></u>		
<u>Transaction costs (net)</u>		
<u>Member activity related fees and costs</u>		
<u>Buy-sell spread</u>		
<u>Switching fee</u>		
<u>Exit fee</u>		
<u>Other fees and costs<sup>2</sup></u>		
1. <u>[If relevant insert a footnote Investment fees and costs includes an amount of x.xx% for performance fees. The calculation basis for this amount is set out under “Fees and Costs Details”.]</u>		
2. <u>[If there are other fees and costs, such as activity fees, advice fees for personal advice or insurance fees, include a cross-reference to the “Fees and Costs Details”.]</u>		
<u>[Name of superannuation product]</u>		
<u>Type of fee</u>	<u>Amount</u>	<u>How and when paid</u>
<u>Investment fee</u>		
<u>Administration fee</u>		
<u>Buy-sell spread</u>		
<u>Switching fee</u>		
<u>Exit fee</u>		

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*[Name of superannuation product]*

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<i>Type of fee</i>	<i>Amount</i>	<i>How and when paid</i>
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*Advice fees*

relating to all members investing  
in a particular MySuper product or  
investment option

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*Other fees and costs<sup>1</sup>*

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*Indirect cost ratio*

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1. *[If there are other fees and costs, such as activity fees, advice fees for personal advice or insurance fees, include a cross-reference to the "Additional Explanation of Fees and Costs".]*

## Division 2—The fees and costs summary template for collective investment products

### 202 Fees and costs summary Template for a multiple fee structure—collective investment products

#### Fees and other costs

This section document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You have 2 different fee payment options:

- (a) to pay contribution fees upfront, at the time when you make each investment into the managed investment scheme; or
- (b) to pay contribution fees later (for example, on the termination of your investment or by way of other increased fees).

Note: You may pay more in total fees if you choose to pay contribution fees later.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

[If relevant] Fees and costs for particular investment options are set out on page [insert page number].

#### Fees and Costs Summary

<u>[Name of collective investment product]</u>			
<u>Type of fee or cost</u>	<u>Amount</u>		<u>How and when paid</u>
	<u>Option to pay contribution fees upfront</u>	<u>Option to pay contribution fees later</u>	
<u>Ongoing annual fees and costs</u>			
<u>Management fees and costs<sup>1</sup></u> <u>The fees and costs for managing your investment<sup>2</sup></u>			
<u>Transaction costs (net)</u> <u>The costs incurred by the product when buying or selling assets</u>			
<u>Member activity related fees and costs (fees for services or when your money moves in or out of the product)<sup>3</sup></u>			
<u>Establishment fee</u> <u>The fee to open your investment</u>			
<u>Contribution fee<sup>2</sup></u> <u>The fee on each amount contributed to your investment</u>			

<u>[Name of collective investment product]</u>			
<u>Type of fee or cost</u>	<u>Amount</u>		<u>How and when paid</u>
<u>Buy-sell spread</u> An amount deducted from your investment representing costs incurred in transactions by the product			
<u>Withdrawal fee<sup>2</sup></u> The fee on each amount you take out of your investment			
<u>Exit fee<sup>2</sup></u> The fee to close your investment			
<u>Switching fee</u> The fee for changing investment options			

1. [If relevant insert a footnote Management fees and costs includes an amount of x.xx% for performance fees. The calculation basis for this amount is set out under "Fees and Costs Details".]
2. This fee includes an amount payable to an adviser. (See Division 4, "Adviser remuneration" under the heading "Fees and Costs Details".)
3. [If there are other service fees, such as advice fees or special request fees, include a cross-reference to the "Fees and Costs Details".]

<u>[Name of collective investment product]</u>			
<u>Type of fee or cost</u>	<u>Amount</u>		<u>How and when paid</u>
	<u>Option to pay contribution fees upfront</u>	<u>Option to pay contribution fees later</u>	
<b>Fees when your money moves in or out of the collective investment product</b>			
<u>Establishment fee</u> The fee to open your investment			
<u>Contribution fee<sup>1</sup></u> The fee on each amount contributed to your investment			
<u>Withdrawal fee<sup>1</sup></u> The fee on each amount you take out of your investment			
<u>Exit fee<sup>1</sup></u> The fee to close your investment			
<b>Management costs</b>			
<u>The fees and costs for managing your investment<sup>1</sup></u> The amount you pay for specific investment options			

<i>[Name of collective investment product]</i>		
Type of fee or cost	Amount	How and when paid
is shown at page <i>[insert page number]</i>		
<b>Service fees<sup>2</sup></b>		
<i>Switching fee</i> The fee for changing investment options		

1. This fee includes an amount payable to an adviser. (See Division 4, “Adviser remuneration” under the heading “Additional Explanation of Fees and Costs”.)
2. *[If there are other service fees, such as advice fees or special request fees, include a cross reference to the “Additional Explanation of Fees and Costs”.]*

## 202A **Fees and costs summary** Template for single fee structure—collective investment products

### Fees and other costs

This ~~section~~<sup>document</sup> shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

*[If relevant]* Fees and costs for particular investment options are set out on page *[insert page number]*.

### **Fees and Costs Summary**

<i>[Name of collective investment product]</i>		
Type of fee or cost	Amount	How and when paid
<b><i>Ongoing annual fees and costs</i></b>		
<i>Management fees and costs<sup>1</sup></i> The fees and costs for managing your investment <sup>2</sup>		
<i>Transaction costs (net)</i> The costs incurred by the product when buying or selling assets		
<b><i>Member activity related fees and costs (fees for services or when your money moves in or out of the product)<sup>3</sup></i></b>		
<i>Establishment fee</i> The fee to open your investment		
<i>Contribution fee<sup>2</sup></i> The fee on each amount contributed to your investment		
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the product		

<i>[Name of collective investment product]</i>		
<b>Type of fee or cost</b>	<b>Amount</b>	<b>How and when paid</b>
<u>Withdrawal fee<sup>2</sup></u> The fee on each amount you take out of your investment		
<u>Exit fee<sup>2</sup></u> The fee to close your investment		
<u>Switching fee</u> The fee for changing investment options		

1. /If relevant insert a footnote *Management fees and costs includes an amount of x.xx% for performance fees. The calculation basis for this amount is set out under "Fees and Costs Details".*
2. This fee includes an amount payable to an adviser. (See Division 4, "Adviser remuneration" under the heading "Fees and Costs Details".)
3. /If there are other service fees, such as advice fees or special request fees, include a cross-reference to the "Fees and Costs Details".

<i>[Name of collective investment product]</i>		
<b>Type of fee or cost</b>	<b>Amount</b>	<b>How and when paid</b>
<b>Fees when your money moves in or out of the collective investment product</b>		
<u>Establishment fee</u> The fee to open your investment		
<u>Contribution fee<sup>1</sup></u> The fee on each amount contributed to your investment		
<u>Withdrawal fee<sup>1</sup></u> The fee on each amount you take out of your investment		
<u>Exit fee<sup>1</sup></u> The fee to close your investment		
<b>Management costs</b>		
<u>The fees and costs for managing your investment<sup>1</sup></u> The amount you pay for specific investment options is shown at page <i>[insert page number]</i>		
<b>Service fees<sup>2</sup></b>		
<u>Switching fee</u> The fee for changing investment options		

1. ~~This fee includes an amount payable to an adviser. (See Division 4, “Adviser remuneration” under the heading “Additional Explanation of Fees and Costs”.)~~
2. ~~[If there are other service fees, such as advice fees or special request fees, include a cross reference to the “Additional Explanation of Fees and Costs”.]~~



## Division 3—How to fill in the [summary template](#)

### 203 The preamble

The material in the preamble to the [summary template](#) should only include matters that are relevant to the product.

Example: Insurance costs will generally not be relevant to a collective investment product.

### 204 Column 2—presentation of amounts

- (1) This clause, clause 205 and clause 206 are subject to regulations 7.9.15A, 7.9.15B and 7.9.15C.
- (2) If a particular fee or cost is not charged, ‘nil’, ‘zero’, ‘0’ or ‘not applicable’ (if it would not be misleading) must be written in column 2 opposite the type of fee or cost.
- (3) If it is not possible to determine a single amount or percentage of a fee or cost, it may be written as a range of fees or costs.
- (4) If the exact amount of a fee or cost paid or payable is not known, an amount that is a reasonable estimate of the amount attributable to the retail client must be shown.
- (5) An amount set out in accordance with subclause (4) must be clearly designated as an estimate.
- (6) If an amount or cost has a number of components, the amount of each component must be listed separately.

Example: Management [fees and](#) costs: 1.8% of product holder’s balance + \$70 per year.

- (7) A cost or amount paid or payable must include (if applicable):
  - (a) for each collective investment product or superannuation product:
    - (i) GST, after being reduced by any reduced inputs tax credits; and
    - (ii) stamp duty; and
  - (b) for each collective investment product offered by an Australian passport fund or notified foreign passport fund:
    - (i) any indirect taxes equivalent to GST that are payable in another jurisdiction, after being reduced by any applicable tax credits that are available in that jurisdiction; and
    - (ii) any duties equivalent to stamp duty that are payable in another jurisdiction.

### [204A Column 2—presentation of transaction costs](#)

[Transaction costs must be set out net of any amount recovered by the buy-sell spread charged by the trustee, responsible entity or operator of a notified foreign passport fund as defined in paragraphs \(a\) or \(b\) \(as relevant\) of the definitions of buy-sell spread in clause 101.](#)

### 205 Column 2—include information for each MySuper product or investment option

- (1) The fee information must be set out:
  - (a) for superannuation products—for each MySuper product and each investment option offered by the relevant superannuation entity; and

- (b) for collective investment products—for each investment option offered by the relevant managed investment scheme.
- (2) It may be:
  - (a) set out in the table; or
  - (b) cross-referenced in the table to another section of the Product Disclosure Statement that contains the relevant fee information.

## **206 Presentation of multiple fee payment options**

If a superannuation entity [has more than 1 option for the payment of fees](#) or [if a](#) managed investment scheme has more than 2 options for the payment of fees:

- (a) the number of fee payment options must be set out in the preamble; and
- (b) details of all fee payment options must be set out in the [summarytemplate](#).

## **207 Column 3—how and when fees and costs are payable**

Column 3 of the [summarytemplate](#) must set out:

- (a) how the [amountfee](#) is or will be recovered, for example by deduction from:
  - (i) the member’s investment balance; or
  - (ii) the assets of the superannuation entity or managed investment scheme; [or](#)
  - (iii) contributions; or
  - (iv) withdrawals; and
- (b) the recurrence of the recovery of the [amountfee](#); and
- (c) the timing of the recovery of the [amountfee](#).

## **208 Other material to be included in the [summarytemplate](#)**

- (1) The [summarytemplate](#) must clearly indicate which fees and costs are negotiable (for example, by stating in column 3 ‘The amount of this fee can be negotiated.’).
- (2) An indication that a fee or cost is negotiable must be cross-referenced to an explanation outside the [summarytemplate](#) in the ‘[Fees and Costs Details](#)~~Additional Explanation of Fees and Costs~~’ part of the fees section.

**Division 4—Fees and costs details~~Additional explanation of fees and costs~~****209 Matters to be included as fees and costs details~~additional explanation of fees and costs~~**

The following information, if relevant to the particular superannuation product or collective investment product, must be included under the heading 'Fees and Costs Details~~Additional Explanation of Fees and Costs~~':

- (a) the explanation of the fees mentioned in footnote 21 for superannuation products and footnote 32 for collective investment products;
- (b) information on performance fees including:
  - (i) a statement about how performance fees affect administration fees and costs and investment fees and costs for a superannuation product, or management fees and costs for a collective investment product; and
  - (ii) the method for calculating the total performance fees under clause 101C(3); and
  - (iii) the calculated average performance fees for each product or option or interposed vehicle or part under clause 101C(3)(a); amount of the fees, or an estimate of the amount if the amount is not known
- (c) for tax—a cross reference to the “Tax” part of the Product Disclosure Statement;
- (ca) for insurance fees and other costs relating to insurance (if relevant)—a cross reference to the “Insurance” part of the Product Disclosure Statement;
- (d) if the product is subject to tax—whether the benefit of any tax deduction is passed on to the investor in the form of a reduced fee or cost;
- (e) an explanation of adviser remuneration that forms part of any fee or cost in the table, including (if known to the product issuer):
  - (i) the method of calculation; and
  - (ii) the amounts of commission or the range of amounts; and
  - (iii) whether the amounts are negotiable or rebatable; and
  - (iv) the way in which amounts may be negotiated or rebated;
- (f) an explanation of advice fees and, for a superannuation product, intrafund advice costs;
- (g) for a negotiated fee or cost—contact details of the person or body with whom the fee or cost can be negotiated and the manner of negotiation;
- (h) worked examples (if appropriate);
- (i) additional details of incidental fees (if appropriate);
- (j) details of transactional costs and operational costs such as brokerage and buy-sell spread, including:
  - (ia) the amount of total gross transaction costs, or an estimate if the amount is not known; and

- (iaa) a statement that the transaction costs shown in the fees and costs summary is shown net of any amount recovered by the buy-sell spread charged by the trustee, responsible entity or operator of a notified foreign passport fund as defined in paragraphs (a) or (b) (as relevant) of the definitions of buy-sell spread in clause 101; and
- (i) a description of each~~the~~ cost; and
- ~~(ii) the amount, or an estimate if the amount is not known; and~~
- (iii) how and when the costs are recovered; and
- (iv) a statement that the cost is an additional cost to the investor where it has not already been recovered by the buy-sell spread charged by the trustee, responsible entity or operator of a notified foreign passport fund as defined in paragraph (a) or (b) (as relevant) of the definition of buy-sell spread in clause 101;
- ~~(v) whether any part of the buy-sell spread is paid to the product issuer or an external manager;~~
- (k) the following information about fee changes:
  - (i) if applicable, a statement about the issuer's right to change the amount of fees without the investor's consent;
  - (ii) any indexation arrangements that apply;
  - (iii) the period of advance notice required for fee changes;
  - (iv) any change in fee structure that is dependent on a person's employment;
- (l) if the issuer has instituted a flexible charging structure, for each applicable fee, if known:
  - (i) any maximum, and when it would apply; and
  - (ii) any waiver, and when it would not apply.;
- ~~(m) for a superannuation product—details of borrowing costs including:~~
  - ~~(i) a description of the cost; and~~
  - ~~(ii) the amount, or an estimate if the amount is not known; and~~
  - ~~(iii) how and when the costs are recovered; and~~
  - ~~(iv) a statement that the cost is an additional cost to the investor;~~
- ~~(ma) before 30 September 2020, details of property operating costs to the extent those costs are not included in the investment fee or indirect costs for the relevant MySuper product or investment option offered by a superannuation entity, including:~~
  - ~~(i) a description of the cost; and~~
  - ~~(ii) the amount, or an estimate if the amount is not known; and~~
  - ~~(iii) how and when the costs are recovered; and~~
  - ~~(iv) a statement that the cost is an additional cost to the investor.~~

## **209AA Calculating transaction costs**

Despite clause 214, transaction costs for a product, option, interposed vehicle or derivative financial product disclosed in a Product Disclosure Statement that is available during a particular financial year is to be determined:

- (a) based on the transaction costs for the previous financial year; or
- (b) if the product or option was offered from at least 11 months before the end of the previous financial year but for less than a full financial year – based on the transaction costs for that period and adjusted, to reflect a 12 month period; or
- (c) if the product or option was not offered from at least 11 months before the end of the previous financial year and not first offered in the current financial year – based on the responsible person’s reasonable estimate of the transaction costs for the current financial year at the time the Product Disclosure Statement is prepared; or
- (d) if the product or option was first offered in the current financial year – based on the responsible person’s reasonable estimate of the transaction costs for the current financial year at the time the Product Disclosure Statement is prepared, adjusted to reflect a 12 month period.

## **209AA Calculating transactional and operational costs**

For paragraphs 209(j) and (m), information about transactional and operational costs and, for a superannuation product or investment option in a superannuation product, borrowing costs and property operating costs for a product or investment option disclosed in a Product Disclosure Statement that is available during a particular financial year is to be determined for the previous financial year except that if product or investment option was not offered from at least 11 months before the end of the previous financial year, the transactional and operational costs and, for a superannuation product or investment option in a superannuation product, borrowing costs and property operating costs are to be determined based on the responsible person’s reasonable estimate at the time the Statement is prepared of those costs that will apply for the current financial year, and if the product or investment option was first offered in the current financial year, since the time the product or investment option was first offered, adjusted to reflect a 12 month period.

## Division 4A—Defined fees for superannuation products

### 209A Defined fees for superannuation products

The following definitions must be included for a superannuation product under the heading “Defined fees”, or incorporated by reference:

#### *Activity fees*

A fee is an **activity fee** if:

- (a) the fee relates to costs incurred by the trustee [*OR the trustees*] of the superannuation entity that are directly related to an activity of the trustee [*OR the trustees*]:
  - (i) that is engaged in at the request, or with the consent, of a member; or
  - (ii) that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as ~~an~~ administration fees and costs, ~~an~~ investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

#### *Administration fees and costs*

Administration fees and costs are fees and costs ~~An administration fee is a fee~~ that relates to the administration or operation of the superannuation entity and includes:

- (a) costs that relate to that administration or operation met through the use of reserves;
- (b) indirect costs that relate to that administration or operation; and
- (c) intrafund advice costs

but do not include, other than:

- (~~d~~a) transaction costs and excluded transactional and operational costs~~borrowed costs~~; and
- (b) ~~indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee [*OR the trustees*] of the entity or in an interposed vehicle or derivative financial product; and~~
- (~~e~~e) costs that are otherwise charged as ~~an~~ investment fees and costs, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

#### *Advice fees*

A fee is an **advice fee** if:

- (a) ~~the fee relates directly to costs incurred by the trustee [*OR the trustees*] of the superannuation entity because of the provision of financial product advice to a member by:~~
  - (i) ~~a trustee of the entity; or~~
  - (ii) ~~another person acting as an employee of, or under an arrangement with, the trustee [*OR the trustees*] of the entity; and~~

~~(b) — those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.~~

### *Buy-sell spreads*

A **buy-sell spread** is a fee to recover ~~transaction~~ costs incurred in transactions by the trustee *[OR the trustees]* of the superannuation entity in relation to the sale and purchase of assets of the entity.

### *Exit fees*

An **exit fee** is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.

### *Indirect cost ratio*

The **indirect cost ratio (ICR)**, for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: — A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

### *Investment fees and costs*

Investment fees and costs are fees and costs. An **investment fee** is a fee that relates to the investment of the assets of a superannuation entity and includes:

(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and

(aa) costs that relate to the investment of assets of the entity that are met through the use of reserves;

(b) indirect costs that relate to the investment of assets of the entity

~~(b) — costs that relate to the investment of assets of the entity, other than:~~

~~(i) — borrowing costs; and~~

~~(ii) — indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee *[OR the trustees]* of the entity or in an interposed vehicle or derivative financial product; and~~

~~(iii) — costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.~~

but do not include:

(c) transaction costs and excluded transactional and operational costs; and

(d) costs that are otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Note: — The costs referred to in paragraph (b) do not include transactional and operational costs referred to in paragraphs (b), (ea) and (eb) of the definition of **transactional and operational costs**.

### *Switching fees*

*[In the case of a MySuper product:]*

A **switching fee** for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.

*[In the case of a superannuation product that is not a MySuper product:]*

A **switching fee** for a superannuation products other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

Note: If a Product Disclosure Statement covers both a MySuper product and another superannuation product, both definitions of **switching fee** must be included.

Transaction costs (net)

Transaction costs (net) relate to the costs associated with acquiring or disposing of assets, other than costs that have been recovered by the superannuation entity charging buy-sell spreads.



## Division 5—Example of annual fees and costs

### 210 Example of annual fees and costs

The example of annual fees and costs:

- (a) must contain fees and costs in accordance with the table in clause 211 or 212; and
- (b) must be set out using the headings and the form in clause 211 or 212; and
- (c) must be included in the ‘Fees’ section of a Product Disclosure Statement, following the fees and costs [summary template](#).

### 211 Superannuation products—Example of annual fees and costs

This table gives an example of how the [ongoing annual](#) fees and costs for the *[insert name of generic MySuper product or other investment option as required by subclause 220(1)]* for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

<b>EXAMPLE</b> — <i>[insert name of generic MySuper product or other investment option as required by subclause 220(1)]</i>		<b>BALANCE OF \$50 000 <a href="#">WITH A CONTRIBUTION OF \$5 000 DURING YEAR</a></b>
Investment fees <a href="#">and costs</a>	<a href="#">[ 1.6%</a>	For every \$50 000 you have in the superannuation product you will be charged <a href="#">or have deducted from your investment</a> <del>\$[ 1800</del> each year
<b>PLUS</b> Administration fees <a href="#">and costs</a>	<a href="#">[ 152</a> <del>(\$1 per week)</del>	<b>And</b> , you will be charged <a href="#">\$[ 152</a> in administration fees <a href="#">and costs</a> regardless of your balance
<b>PLUS</b> Transaction costs (net)	<a href="#">[ 1</a>	<b>And</b> , you will be charged <a href="#">\$[ 1</a> in transaction costs (net)
<b>PLUS</b> Indirect costs for the superannuation product <sup>†</sup>	<a href="#">1.2%</a>	<b>And</b> , indirect costs of \$600 each year will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50 000 <a href="#">at the beginning of the year and you put in an additional \$5000 on the last day of that year</a> , then for that year you will be charged fees of <a href="#">\$[ 1452</a> for the superannuation product.

Note: \* Additional fees may apply. **And**, if you leave the superannuation entity, you may be charged an **exit fee** of \$x and a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for exiting is y% (this will [be](#) equal to \$z for every \$50,000 you withdraw).

Note: Substitute the relevant exit fee, ~~buy~~-sell spread and total amount payable you charge for \$x, y% and \$z.

### 212 Collective investment products—Example of annual fees and costs for a balanced investment option or other investment option

#### Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the [ongoing annual](#) fees and costs in the balanced investment option for this product can affect your investment over a 1 year period. You should use this table to compare this product with other products offered by managed investment schemes.

<b>EXAMPLE</b> — <i>[insert name of balanced investment option or other investment option required by subclause 220(2)]</i>		<b>BALANCE OF \$50 000 WITH A CONTRIBUTION OF \$5 000 DURING YEAR</b>
Contribution Fees	<del>[ 10-4%</del>	For every additional \$5 000 you put in, you will be charged between \$0 and \$ <del>[ 1200]</del> .
<b>PLUS</b> Management <del>Fees and</del> Costs	<del>[ 14.3%</del>	<b>And</b> , for every \$50 000 you have in the <i>[insert name of balanced investment option or other investment option required by subclause 220(2)]</i> you will be charged \$ <del>[ 1650]</del> each year.
<b>PLUS</b> Transaction Costs (net)	<del>[ 1]</del>	<b>And</b> , you will be charged \$ <del>[ 1]</del> in transaction costs (net).
<b>EQUALS</b> Cost of <i>[insert name of balanced investment option or other investment option required by subclause 220(2)]</i>		<p>If you had an investment of \$50 000 at the beginning of the year and you put in an additional \$5 000 during that year, you would be charged fees of from:</p> <p style="text-align: center;"><b>\$<del>[ 1650]</del> to \$<del>[ 1850]</del>*</b></p> <p><b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b></p>

\* Additional fees may apply:

**Establishment fee**—\$~~[ 150]~~

**And**, if you leave the managed investment scheme early, you may also be charged exit fees of between 0 and ~~[ 15]~~% of your total account balance (between \$0 and \$~~[ 12 500]~~ for every \$50 000 you withdraw).

## 213 Defined benefit funds

An example of fees and costs is not required in a Product Disclosure Statement for a defined benefit fund.

Note: *Defined benefit fund* is defined in subregulation 1.03(1) of the SIS Regulations.

## **Division 6—How to fill in the example of annual fees and costs**

### **214 Fees and costs must be ongoing amounts**

The fees and costs stated in the example must be typical ongoing fees that apply to the MySuper product or investment option.

Note: The example should not be based on “honeymoon rates”. It must be consistent with the statement for an existing member or product holder having the stated balance and level of contributions each year.

### **214A Example of annual fees and costs for a MySuper product—lifecycle MySuper product**

If the example of fees and costs for a MySuper product uses a lifecycle MySuper product, the investment fees [and costs](#) quoted in the example must be the highest investment fees [and costs](#) for a lifecycle stage of the lifecycle MySuper product.

### **215 Minimum entry balance rule**

If the minimum balance required to enter a superannuation entity or a managed investment scheme is greater than \$50 000, the example of annual fees and costs must be based on an amount that is the lowest multiple of \$50 000 that exceeds the minimum entry balance.

Example: If a superannuation entity or a managed investment scheme has a minimum entry balance of \$65 000, the relevant amount for the example of annual fees and costs is \$100 000.

### **216 Exit fees**

If an exit fee may be charged, it must be described in [a](#) footnote to the table, based on:

- (a) a balance of \$50 000; or
- (b) if clause 215 applies—an amount that is a multiple of \$50 000.

### **217 Contribution fees**

- (1) The amounts of contribution fees to be inserted in the example of annual fees and costs for a collective investment product, are applied against a \$5 000 investment.
- (2) If a Product Disclosure Statement relates to a product:
  - (a) that is paid for by a single lump sum amount; and
  - (b) for which no additional contributions can be made;the example of annual fees and costs should be modified by removing references to contributions or contribution fees.
- (3) The example must be based on a balance:
  - (a) of \$50 000; or
  - (b) worked out in accordance with clause 215.

Note: If there is a fee paid for the initial contribution, it should be described as the establishment fee.

## **218 Administration fees and costs, ~~and~~ investment fees and costs and transaction costs (net) for a superannuation product**

### *Administration fees and costs*

- (1) The example of administration fees and costs for a MySuper product or an investment option offered by a superannuation entity is applied to an amount of \$50 000 or an amount that is a multiple of \$50 000 if clause 215 applies.  
  
Note: In calculating the amount, do not include contributions that may be made during the year.
- (2) If there is a range in the amount of administration fees and costs that may be charged for a MySuper product or an investment option offered by a superannuation entity, the example must use the highest administration fees and costs in the range.

### *Investment fees and costs*

- (3) The example of investment fees and costs for a MySuper product or an investment option offered by a superannuation entity is applied to an amount of \$50 000 or an amount that is a multiple of \$50 000 if clause 215 applies.  
  
Note: In calculating the amount, do not include contributions that may be made during the year.
- (4) If there is a range in the amount of investment fees and costs that may be charged for a MySuper product or an investment option offered by a superannuation entity, the example must use the highest investment fees and costs in the range.

### *Transaction costs (net)*

- (4A) The example of transaction costs (net) for a MySuper product or an investment option offered by a superannuation entity is the amount of transaction costs net of any amount recovered by the buy-sell spread, applied to an amount of \$50 000 or an amount that is a multiple of \$50 000 if clause 215 applies.

Note: In calculating the amount, do not include contributions that may be made during the year.

- (4B) If there is a range in the amount of transaction costs (net) that may be charged for a MySuper product or an investment option offered by a superannuation entity, the example must use the highest transaction costs (net) in the range.

### *~~Indirect costs for a MySuper product or investment option~~*

- ~~(5) The example of indirect costs for a MySuper product or an investment option offered by a superannuation entity must be worked out by applying the indirect cost ratio for the MySuper product or the investment option to an amount of \$50,000 or an amount that is a multiple of \$50,000 if clause 215 applies.~~

## **218A Management fees and costs and transaction costs (net) for a collective investment product**

### *Management fees and costs*

- (1) The example of management fees and costs for an investment option offered by a managed investment scheme is applied to an amount of \$50 000 or an amount that is a multiple of \$50 000 if clause 215 applies.  
  
Note: In calculating the amount, do not include contributions that may be made during the year.

- (2) If there is a range in the amount of management fees and costs that may be charged for an investment option offered by a managed investment scheme, the example must use the highest management fees and costs in the range.
- ~~(3) Management fees and costs that are not deducted directly from a product holder's account must be calculated using the indirect cost ratio for the relevant investment option offered by the managed investment scheme.~~
- ~~(4) Any percentage based management fees and costs that are deducted directly from a product holder's account should be added to the percentage amount calculated under subclause (3).~~
- (5) Any dollar based management fees and costs that are deducted directly from a product holder's account must be shown separately in the management fees and costs cell.
- Example 1: Management fees and costs: 2% deducted directly from your account + 1.6% deducted indirectly.
- Example 2: Management fees and costs: \$52 per year (\$1 per week) deducted directly from your account + 1.6% deducted indirectly.
- Example 3: Management fees and costs: \$52 per year (\$1 per week) + 1% deducted directly from your account + 1.6% deducted indirectly.

#### Transaction costs (net)

- ~~(6) The example of transaction costs (net) for an investment option offered by a managed investment scheme is the amount of transaction costs net of any amount recovered by the buy-sell spread, applied to an amount of \$50 000 or an amount that is a multiple of \$50 000 if clause 215 applies.~~
- ~~Note: In calculating the amount, do not include contributions that may be made during the year.~~
- ~~(7) If there is a range in the amount of transaction costs (net) that may be charged for an investment option offered by a managed investment scheme, the example must use the highest transaction costs (net) in the range.~~

### **219 Withdrawal fees and exit fees**

- (1) The example of a withdrawal fee or an exit fee for a superannuation product or a collective investment product is applied against an amount of \$50 000 or an amount that is a multiple of \$50 000 if clause 215 applies.
- (2) In calculating the amount, do not include contributions that may be made during the year.

### **220 If there is no generic MySuper product or balanced investment option**

#### *Superannuation entities*

- (1) If a superannuation entity does not offer a generic MySuper product, the example should be based on:
- (a) where the superannuation entity offers a balanced investment option—the balanced investment option under which most assets of the superannuation entity are invested; and
  - (b) where the superannuation entity does not offer a balanced investment option—the investment option under which most assets of the superannuation entity are invested.

*Managed investment schemes*

- (2) If a managed investment scheme does not offer a balanced investment option, the example should be based on:
  - (a) where the scheme offers a default investment option—that option; and
  - (b) where the scheme does not offer a default investment option—the investment option under which most assets of the scheme are invested.

## **Division 6A—Cost of product information**

### **220A Superannuation products—Cost of product information**

(1) Cost of product information for each MySuper product offered by the superannuation entity and each investment option offered by the entity:

- (a) must be included in the ‘Fees’ section of a Product Disclosure Statement, following the example of annual fees and costs;
- (b) must include the following heading and text immediately before the presentation of the first cost of product information:

#### **Cost of product for 1 year**

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1 year period for all superannuation products and investment options. It is calculated in the manner shown in the example of annual fees and costs.

The cost of product information assumes a balance of \$50 000 at the beginning of the year and an additional contribution of \$5 000 on the last day of that year. (Additional fees such as an exit fee or buy-sell spread may apply, refer to the fees and costs summary for the relevant product or option.)

You should use this figure to help compare superannuation products and investment options.

- (c) must be set out as using the following form:

<u><i>/insert name of product or option/</i></u>	<u>Cost of product</u>
	<u>\$11</u>

and

- (d) must be calculated in accordance with the method set out in the example of annual fees and costs in clause 211 and Division 6.
- (2) Cost of product information is not required in a Product Disclosure Statement for a defined benefit fund.
- Note: Defined benefit fund is defined in subregulation 1.03(1) of the SIS Regulations.
- (3) Cost of product information is not required in a Product Disclosure Statement where the Product Disclosure Statement relates to only one product or option and an example of annual fees and costs has been included in relation to that product or option in accordance with Division 5.

### **220B Collective investment products—Cost of product information**

(1) Cost of product information for each investment option offered by the managed investment scheme:

- (a) must be included in the 'Fees' section of a Product Disclosure Statement, following the example of annual fees and costs;
- (b) must include the following heading and text immediately before the presentation of the first cost of product information:

**Cost of product for 1 year**

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1 year period for all investment options. It is calculated in the manner shown in the example of annual fees and costs.

The cost of product assumes a balance of \$50 000 at the beginning of the year with a contribution of \$5 000 during the year. (Additional fees such as an establishment fee, or an exit fee may apply, refer to the fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

- (c) must be set out as using the following form:

<u>[insert name of option]</u>	<u>Cost of product</u>
	<u>\$[ ]</u>

and

- (d) must be calculated in accordance with the method set out in the example of annual fees and costs in clause 212 and Division 6.
- (2) Cost of product information is not required in a Product Disclosure Statement where the Product Disclosure Statement relates to only one investment option and an example of annual fees and costs has been included in relation to that option in accordance with Division 5.



## Division 7—Consumer Advisory Warning

### 221 Consumer advisory warning

#### (1) *Superannuation products*

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##### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

##### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

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#### (2) *Collective investment products*

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##### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower ~~contribution fees and management fees where applicable~~. Ask the fund or your financial adviser.

##### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

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#### (3) In the Consumer Advisory Warning in subclause (2) ‘account’ may be replaced with ‘investment’.

## **222 Where to place the Consumer Advisory Warning**

The Consumer Advisory Warning referred to in subclause 221(1) must be located at the beginning of the fees section of the Product Disclosure Statement for superannuation products and the Consumer Advisory Warning referred to in subclause 221(2) must be located at the beginning of the fees section of the Product Disclosure Statement for collective investment products where fees or costs may be deducted from amounts to be held for members of the managed investment scheme.

## Part 3—Fees and costs in periodic statements

### Division 1—Fees and costs~~Other Management Costs~~

#### 301 Amounts deducted and other amounts~~Indirect costs related to investment and administration of accounts~~

- (1) For a MySuper product or an investment option offered by a superannuation entity, the following text and the appropriate amounts, in dollars, must be inserted after the part of the periodic statement that itemises transactions during the period under the heading “Fees and costs summary”.

##### Fees deducted directly from your account

This amount has been deducted directly from your account (reflected in the transactions listed on this statement).

##### Fees and costs deducted from your investment

This approximate amount has been deducted from your investment and covers amounts that have reduced the return on your investment and that are not reflected as transactions listed on this statement or in the fees and costs details.

##### ~~Indirect costs of your investment~~

~~This approximate amount has been deducted from your investment and covers amounts that have reduced the return on your investment but are not charged as a fee.~~

##### ~~Other fees of your investment~~

~~This approximate amount or amounts have been deducted from your investment and covers fees that are not reflected as transactions on this statement.~~

~~Note: Other fees may be reported by the type of fees charged.~~

- (1A) For ~~an offer of~~ a collective investment product, the following text and the appropriate amounts, in dollars, must be inserted after the part of the periodic statement that itemises transactions during the period under the heading “Fees and costs summary”.

##### Fees deducted directly from your account

This amount has been deducted directly from your account (reflected in the transactions listed on this statement).

##### Fees and costs deducted from your investment

This approximate amount has been deducted from your investment and covers amounts that have reduced the return on your investment and that are not reflected as transactions listed on this statement or in the fees and costs details.

##### ~~Indirect costs of your investment~~

~~This approximate amount has been deducted from your investment and covers amounts that have reduced the return on your investment but are not charged to you directly as a fee.~~

~~(1C) For a periodic statement for a MySuper product or an investment option offered by a superannuation entity, for a period ending on or before 29 June 2020, the amount disclosed for other fees under subclause (1) may be calculated excluding property operating costs if it is stated in accordance with subclause (1E) that, “The total fees you paid do not include the property operating costs that you incurred during the period.”.~~

~~(1D) For a periodic statement for a MySuper product or an investment option offered by a superannuation entity, for a period ending after 29 June 2020, and on or before 29 September 2020, the amount disclosed for other fees under subclause (1) may be calculated excluding property operating costs if it is stated in accordance with subclause (1E) that, “The total fees you paid do not include the property operating costs that you incurred during the period. An estimate of the amount of property operating costs incurred by the holder during the period is provided in the periodic statement.”.~~

~~(1E) For the purposes of subclauses (1B) to (1D), a statement is stated in accordance with this subclause if the statement and each other statement made for the purposes of subclauses (1B) to (1D) is included:~~

- ~~(a) — immediately under the amount of total fees you paid in the periodic statement; or~~
- ~~(b) — if it is not reasonably practicable to include the statements in that position in the periodic statement — a separate document that accompanies the periodic statement and that includes those statements as consecutive statements.~~

(2) The amount:

- (a) deducted directly from an account is the total of the amounts of fees deducted shown on the transaction list in the periodic statement; and
- (b) deducted from the investment is the apportioned amount of fees and costs for the product or option that are not:
  - (i) excluded transactional and operational costs;
  - (ii) reflected in paragraph (a); and
  - (iii) reflected in clauses 303(1)(a) or 303(2)(a) and (b).

~~(2) — The amount inserted must include:~~

- ~~(a) — for a MySuper product or an investment option offered by a superannuation entity — the indirect costs for the MySuper product or investment option; and~~
- ~~(b) — for an investment option offered by a managed investment scheme — all management costs not deducted directly from a product holder’s account during the reporting period.~~

(3) The amounts in subclauses (1) and (1A) must be shown as a single total amount in dollars.

(3A+B) For a periodic statement for a MySuper product or an investment option offered by a superannuation entity, for a period ending on or before 29 June 2020, the amount disclosed for fees and costs deducted from your investment~~other fees~~ under subclause (1) may be calculated excluding the buy-sell spread if:

- (a) it is stated ~~in accordance with subclause (1E)~~ that, “The total fees you paid do not include the buy-sell spread fee, because it is not reasonably practicable for us to include the buy-sell spread fee that you incurred during the period.”; and

- (b) the statement described in paragraph (a) is included:
- (i) immediately after the total fees and costs you paid in the periodic statement;  
or
  - (ii) if it is not reasonably practicable to include the statement in that position—a  
separate document that accompanies the periodic statement and that includes  
that statement.
- (4) ~~The amount for a collective investment product must be calculated by multiplying the indirect cost ratio for the relevant investment option by the product holder's average account balance for the option over the reporting period.~~
- (5) For a superannuation product that is subject to tax, for any reporting period ending after 29 June 2020, if a reduced fee or cost is disclosed in the statement because of the benefit of any income tax deduction, the Fees and costs deducted from your investment~~indirect costs, or other fees as appropriate~~, for the product must include the part of the cost that reduced the disclosed fee or costs.
- (6) For a collective investment product that is subject to tax, for any reporting period ending after 29 June 2020, if a reduced fee or cost is disclosed in the statement because of the benefit of any income tax deduction, the Fees and costs deducted from your investments~~indirect costs for the product~~ must include the part of the cost that reduced the disclosed fee or cost.

## Division 2—Total fees and costs

### 302 Total of fees and costs in the periodic statement

- (1) The following text and the appropriate amounts, in dollars, must be displayed:
  - (a) ~~after the information in clause 301(1) or (1A) at the end of the part of the periodic statement that itemises transactions during the period;~~ or
  - (b) in a summary part of the periodic statement.

#### **TOTAL FEES AND COSTS YOU PAID**

This approximate amount includes all the fees and costs which affected your investment during the period.

- (2) The total fees and costs you paid are the total of all fees and costs disclosed in the periodic statement, including any fees detailed in paragraphs 303(1)(a) or 303(2)(a) and (b).

## Division 3—~~Fees and costs details~~~~Additional Explanation of Fees and Costs~~

### 303 Matters to be included as ~~fees and costs details~~~~additional explanation of fees and costs~~

#### *Superannuation products*

- (1) The following information must be included in the periodic statement for a superannuation product under the heading “~~Fees and Costs Details~~~~Additional Explanation of Fees and Costs~~”, if it has not been included in another part of the periodic statement:
  - (a) details of any activity fees, advice fees and insurance fees that were incurred by the member during the period; ~~and~~
  - (b) for a superannuation product that is subject to tax—whether the benefit of any tax deduction has been passed on to the investor in the form of a reduced fee or cost;~~;~~ ~~and~~
  - ~~(c) — for any reporting period ending on or before 29 June 2020:~~
    - ~~(i) — the approximate total amount of borrowing costs that affected the investment of the member during the period or that amount combined with the amount required to be disclosed in accordance with subclause 302(1); or~~
    - ~~(ii) — details, including the relevant website address, about how to obtain information about borrowing costs for each MySuper product and investment option on the fund’s website; and~~
  - ~~(d) — for any reporting period ending after 29 June 2020, the approximate total amount of borrowing costs that affected the investment of the member during the period or that amount combined with the amount required to be disclosed in accordance with subclause 302(1).~~

#### *Collective investment products*

- (2) The following information must be included in the periodic statement under the heading “~~Fees and Costs Details~~~~Additional Explanation of Fees and Costs~~”, if it has not been included in another part of the periodic statement:
  - (a) details of incidental fees, such as cheque dishonour fees, that were incurred by the product holder during the period;
  - (b) details of any service fees that may have been incurred by the product holder; ~~and~~
  - (c) for a collective investment product that is subject to tax—whether the benefit of any tax deduction has been passed on to the investor in the form of a reduced fee or cost;~~;~~ ~~and~~
  - ~~(d) — for any reporting period ending after 29 June 2020, the approximate total amount of transactional and operational costs for the collective investment product that affected the investment of the holder during the period or that~~

~~amount combined with the amount required to be disclosed in accordance with paragraph 302(1)(b) excluding costs that are both:~~

- ~~(i) — referred to in paragraph (b), (ea) or (eb) of the definition of **transactional or operational costs** and that are a necessary part of the acquisition price of an asset;~~
- ~~(ii) — recovered by a buy-sell spread for the collective investment product where the estimated amount of the buy-sell spread that the holder has paid in the period in dollars is disclosed in the periodic statement.~~