



# ASX Investment Products

## mFund Update - November 2019

### 1. Change to ASX Guidance Note 20 effective 1 December 2019

ASX has updated [Guidance Note 20 ASX Online](#) which assists entities to understand the ASX Online facility to electronically lodge announcements for dissemination to the market via the ASX Market Announcements Platform ("MAP").

AQUA Product Issuers currently have to provide *Annexure A: Application and agreement for use of electronic lodgement facility and entity details facility* as part of the application process for each new mFund product that uses a unique Issuer Code (first 3 characters of an ASX Code).

From 1 December 2019, existing AQUA Product Issuers are not required to provide this document. ASX also expects that Clause A38 of the mFund Checklist will be marked as "An ASX Online Agreement previously entered into by the application in relation to other AQUA Products".

If you have any queries, please contact the [Investment Products team](#).

### 2. Product Disclosure Statement Updates

Further to [mFund Update – July 2019](#), ASX continues to identify instances where mFund issuers have not provided ASX the updated PDS for an mFund product. This includes lodging the PDS on MAP via ASX Online one business day prior to the PDS issue date.

As part of an Issuer's compliance with the above requirement, ASX generally expects the Issuer to provide a copy of the updated PDS for ASX review and lodgement prior to the effective date of the PDS. Issuers are encouraged to email [Investment Products Compliance team](#) at least 5 business days prior to the effective date outlining the updates and/or provide a marked-up version of the updated PDS. Following assessment by the Investment Products Compliance team, the Issuer should then lodge the PDS on the Market Announcements Platform via ASX Online the day before the PDS effective date.

Issuers that do not comply with the above requirement are in potential breach of ASX Operating Rule Schedule 10A.4.5.

Extract:

**10A.4.5 Managed Funds Service additional requirements**

*An AQUA Product Issuer that issues Managed Fund Products which are settled through the Managed Fund Settlement Service must:*

- a. *not issue Managed Fund Products to a client without confirmation through the Managed Fund Settlement Service through messages received by the participant of the Approved Settlement Facility responsible for settling the transaction (Settlement Participant) that a copy of the most recent Product Disclosure Statement or Combined Product Disclosure Statement (as applicable), has been given to the client. The messages must include the date of the Product Disclosure Statement or Combined Product Disclosure (as applicable). However, this does not apply if the AQUA Product Issuer is not required to comply with section 1016A of the Corporations Act in relation to the issue of those Managed Fund Products;*
- b. *contact clients, within 5 business days of the issuance, to:*
  - i. *confirm in writing the issuance of Managed Fund Products, and*
  - ii. *inform clients that they should have received a copy of the most recent Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) (and specify the date of the Product Disclosure Statement and each Supplementary Product Disclosure Statement) and if they have not, they should contact the AQUA Product Issuer to obtain a copy of the disclosure documents free of charge;*

If you have any queries, please contact the [Investment Products team](#).

### 3. DRP adjustments performed by the PISP/Registry

Issuers, PISPs and registries are reminded to use the transaction ID to link the CHES message for the distribution reinvestment notification and unit adjustment. This is to ensure that the unit allotment is completed and recognised as a DRP as opposed to a miscellaneous adjustment. Reconciliations of investor holding balances should also be performed regularly by the PISP/registry.

<b>Message Number and Description</b>	<b>Sender</b>	<b>Recipient</b>
<b>817 Distribution Reinvestment Notification</b>	<b>PISP</b>	<b>CHES</b>
722 Fund Response	CHES	PISP
518 Rejected Transaction	CHES	PISP
818 Effected Distribution Investment Plan Advice	CHES	Settlement Participant
<b>732 Unit Adjustment</b>	<b>PISP</b>	<b>CHES</b>
722 Fund Response	CHES	PISP
733 Effected Fund Unit Adjustment	CHES	Settlement Participant

If you have any queries, please contact [CHESSCSOps@asx.com.au](mailto:CHESSCSOps@asx.com.au).

## 4. Application processing by the PISP/Registry

Issuers and PISPs/registries will receive a 727 Application Order Request message from CHESS when a broker submits a request for an investor to apply for units in a managed fund on the mFund service. If the PISP/registry accepts this order, they are required to include a unit pricing date and unit allotment date in the 729 Application Order/Payment Plan Application Response message. CHESS will then schedule the application request for batch settlement.

PISPs/registries are reminded to only complete the unit adjustment to increase an investor's holdings after batch settlement has been completed and receipt of funds have been transferred. Unit adjustments completed prior to settlement will not be recognised by CHESS and therefore, PISP/registries will receive a daily 812 Reminder Notice notifying of failure to allot the required units by the advised unit allotment date.

If you have any queries, please contact [CHESSCSOps@asx.com.au](mailto:CHESSCSOps@asx.com.au).

## 5. Market Announcements Office closes early on shortened trading days

Issuers are advised the Market Announcements Office will close at 16:30 on Tuesday 24 December and Tuesday 31 December due to shortened trading hours.

A summary of the ASX Markets' trading schedule for the 2019/2020 Christmas/New Year period is below.

	<b>Shortened Trading Day</b>
Tuesday, 24 December 2019	Normal trading ends at 14:00 Market Announcements Office closes 16:30
Wednesday, 25 December 2019	ASX Trade closed
Thursday, 26 December 2019	ASX Trade closed
Friday, 27 December 2019	Normal Trading Hours
Monday, 30 December 2019	Normal Trading Hours
	<b>Shortened Trading Day</b>
Tuesday, 31 December 2019	Normal trading ends at 14:00 Market Announcements Office closes 16:30
Wednesday, 1 January 2020	ASX Trade closed
Thursday, 2 January 2020	Normal Trading Hours

All times are in Australian Eastern Daylight Savings Time.

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