

30 September 2021

Equity Trustees leads on DDO deadline

As ASIC's Design and Distribution Obligations (DDO) and Product Intervention Powers (PIP) RG 274 come into force next month (5 October), leading trustee Equity Trustees has acknowledged the industry-wide push to meet the deadline.

Mick O'Brien, Equity Trustees Managing Director, said preparing for the regulatory change had been a major undertaking for fund managers, superannuation funds, trustees and Responsible Entities.

"This is one of the most significant events on the calendars of fund managers this year, as funds and schemes that do not meet the deadline will be unable to offer their products to market. It has been a big achievement to get through the sheer workload of what is required," he said.

The goal of RG 274 is to help consumers work out which financial products are appropriate for them by requiring issuers and distributors to have a consumer-centric approach to the design of the products and also how they are targeted - beyond the required disclosures.

Australia's funds management industry currently manages \$4.1 trillion*. Equity Trustees worked with a significant portion of the industry as clients of our Responsible Entity service and as trustee of superannuation funds to prepare for the regulation, focussing on key areas including Target Market Determination (TMD), ensuring product governance arrangements address all stages of the lifecycle, and implementing additional product review and monitoring processes.

As a specialist trustee, Equity Trustees oversees around \$125bn in superannuation funds and managed investment schemes and produced well over 300 TMDs, while at the same time, conducting the newly introduced complementary Member Outcomes Assessment process for superannuation funds.

The group drew on its experience of working with UK clients on MiFID II, which was implemented in 2018.

"RG 274 has many similarities with MiFID II, so we were able to draw on our learnings from this process," Mr O'Brien said.

"We created frequently asked questions and how-to guides, adopted and distributed industry-benchmark templates and a resource page on our website with video updates and key documents to download.

"In addition, we held monthly online engagements – and then weekly as the deadline drew closer - with our clients, suppliers and distributors to exchange information and keep everyone informed and on track to meet the deadline."

Mr O'Brien said regulatory change in Australia continued apace and in the coming months Equity Trustees would be working with its clients to prepare for changes to the breach reporting and internal dispute resolution regimes as well as embedding APRA's revised data reporting regime and the proposed changes to the insurance in superannuation.

"As a trustee and Responsible Entity, our goal is to continue to effectively use our capability as a trustee to support clients throughout these changes so they can focus on what they do best – managing investors' and members' money," he said.

*Statista, as at March 2021



MEDIA INQUIRIES

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Equity Trustees was established in 1888 for the purpose of providing independent and impartial Trustee and Executor services to help families throughout Australia protect their wealth. As Australia's leading specialist trustee company, we offer a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and Responsible Entity (RE) services for external Fund Managers.

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