



**ASIC**  
Australian Securities &  
Investments Commission

<b>Committee</b>	Senate Economics Legislation Committee
<b>Inquiry</b>	Financial Accountability Regime Bill 2021 [Provisions] and Financial Services Compensation Scheme of Last Resort Levy Bill 2021 [Provisions]
<b>Question No.</b>	004
<b>Reference</b>	Spoken, 27 January 2022, Hansard Page 57
<b>Committee member</b>	Senator Pratt

## QUESTION

**Senator PRATT:** This is my last question, Chair; I do understand we are out of time. I am seeking more detail about the complaints that have been made about managed investment schemes and how significant those complaints are in terms of the overall environment of managed investment schemes and, indeed, reflections on the safety of those products.

**Mr Kirk:** Thank you, Senator. We'll put something together for you on that.

## ANSWER

ASIC categorises reports of misconduct (**ROMs**) when they are received. For the 2021 – 2022 financial year the main categories of ROMs from consumers relevant to managed investment schemes (**MISs**) are:

- duties of responsible entity of a managed investment scheme;
- fees and charges;
- provision of financial services efficiently, honestly and fairly;
- misleading and deceptive conduct; and
- advertising.

As at 30 June 2021 there were around 438 licensed responsible entities. There are currently around 3,688 registered MISs. A large number of consumers invest in these schemes either directly or indirectly via channels such as superannuation.

ASIC received very few MIS ROMs, compared to the total number of reports of misconduct received overall – MIS ROMs constituted 1.3% of total finalised ROMs in in 2020-21.

All MISs involve risk, and each scheme has different risks based on the assets they invest in. Prospective investors must make sure they properly consider the risks of a particular investment before investing.

While there have been collapses involving registered MISs, these represent a small proportion of the overall sector. We acknowledge that when a registered scheme does collapse the impact on the members can be significant and long term.