

Introducing Corporate Collective Investment Vehicle

Reporting update
20 July 2024, 22RU-16 UPDATED



A CCIV is a new form of collective investment vehicle which is a company alternative to a management investment scheme (“MIS”)

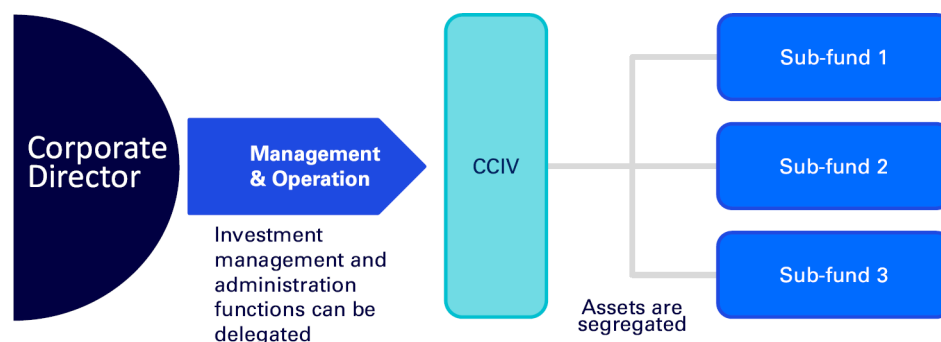
The sub-funds of retail CCIVs are subject to similar reporting and compliance requirements as a registered MIS

CCIV structures is similar to many corporate investment vehicles in foreign jurisdictions

The *Corporate Collective Investment Vehicle Framework and Other Measures Act 2022* (“the Act”), which came into effect on 1 July 2022, introduces a new type of collective investment vehicle in the form of a company. Investors pool their funds in an investment company, a CCIV, which is managed by a professional funds manager.

A CCIV must have at least one sub-fund with at least one member at all times and is governed by a Constitution. A sub-fund is not a separate legal entity but essentially operates (for both tax and legal purposes) as if it is a separate investment vehicle with a separate investment strategy and investors.

A CCIV must be operated by a corporate director (“CD”) that is required to be a public company that holds an Australian financial services licence in a similar manner to how a Responsible Entity is required to operate a registered MIS.



Retail CCIVs are required to prepare audited annual and half-year financial and directors report for each of their sub-funds and have similar compliance plan obligations to registered managed investments schemes.

“CCIVs are likely to be more attractive to foreign investors whose jurisdictions have similar corporate structures, where the use of common law trusts as investment vehicles is not common.”

**Ben Seumahu
Director**

Key differences exist between the structure of a retail CCIV and a traditional registered MIS

How does a CCIV differ from a MIS?

	CCIV	MIS
Legal form	Company limited by shares	Typically structured as a unit Trust
Allocation to sub-funds	Assets and liabilities fully allocated to sub-funds and must be segregated from the assets and liabilities of other sub-funds	No requirement to have any sub-funds but may issue different classes of unit
Retail versus wholesale investors	If one investor in the CCIV is a retail investor, then it is a Retail CCIV. To be a wholesale CCIV, all investors must be wholesale investors.	Must be registered if > 20 members and professionally promoted. Exempt where all members are wholesale investors
Reporting requirements	For retail CCIVs, financial reports and audit opinions required for each sub-fund, rather than as a combined CCIV report	Financial reports and audit opinions prepared for registered MIS, not sub-funds
Cross-investment between sub-funds in the same CCIV	Permitted	Not permitted
Governance structure	A Corporate Director is responsible for the operation of the CCIV, with at least half of the directors of the Corporate Director required to be external*. This means that a CCIV is not required to establish a compliance committee like an MIS.	A Responsible Entity is responsible for the operation of the appointed to a MIS. There is no requirement for the RE to have at least half of its directors as external directors but if its Board is not so constituted, then each scheme it operates requires a compliance plan with a compliance committee comprised of a majority of external members of a scheme.

** External meaning they are not employees/managers / involved in professional dealings with the Corporate Director, and they (or relatives) do not have (or relatives) material investments in the CCIV (see section 1224G of the Act for full definition) "*

22RU-16 Introducing Corporate Collective Investment Vehicle UPDATED

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

©2024 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.