

## Terms of reference

I, Joseph Benedict Hockey, appoint Mr Malcolm Turnbull to review the effectiveness of the arrangements for the regulation of managed investments introduced by the *Managed Investments Act 1998* (the Act), contained in Chapter 5C of the *Corporations Act 2001*, to determine whether:

- the arrangements have delivered benefits in terms of:
  - better protection of investors' investments;
  - greater certainty as to the responsibilities, obligations and liability of scheme operators (known as 'responsible entities' under the legislation);
  - the rights of investors in managed investment schemes; and
  - reducing the costs of investing in managed investment schemes.
- the arrangements have strengthened compliance practices, procedures and awareness amongst responsible entities and others involved in the managed investments industry;
- the arrangements cater for the diversity of managed investments, including consideration of the way in which the legislation is administered by the Australian Securities and Investments Commission; and
- refinements could be made (whether requiring legislative amendment or not) to enable the arrangements to operate more efficiently and effectively, while not unnecessarily detracting from the protection afforded to investors.

I have asked Mr Turnbull to deliver a written report to me by **3 December 2001**.