



Successor Fund Transfer

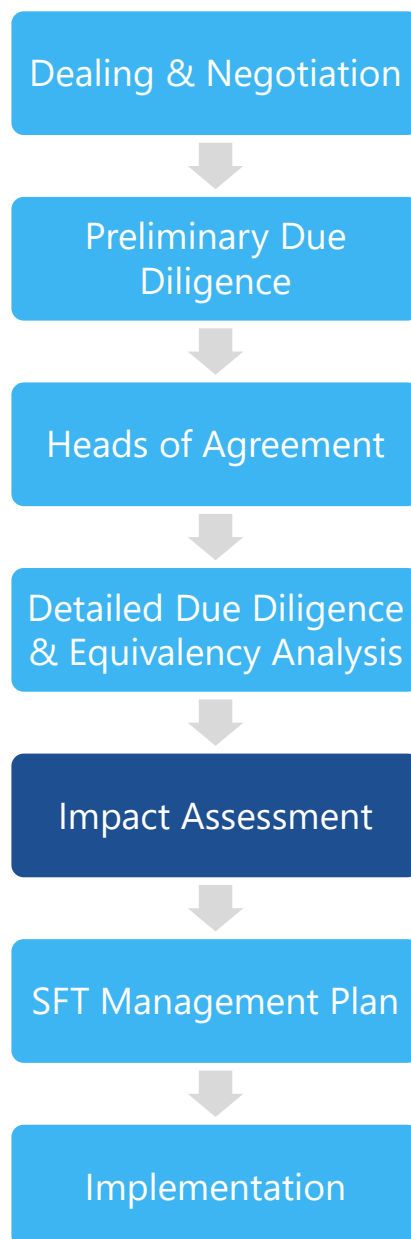
Impact Assessment Checklist

Successor Fund Transfer Impact Assessment Checklist

The purpose of this checklist is to provide the Trustee with a comprehensive framework to guide and assist with the assessment of the impact of being the receiving fund as part of a successor fund transfer (SFT) transaction.

The impact assessment would typically occur once the transferring and receiving funds have settled on a heads of agreement and precede and inform the SFT Management Plan.

Detailed due diligence and equivalency analysis will be completed concurrently with the impact assessment.



SFT Impact Assessment Criteria

The following assessment criteria are intended to guide the impact assessment phase of any SFT which the Trustee participates in as the receiving fund.

The assessment criteria is not exhaustive, however is intended to assist in ensuring that most of the major decisions and variables are identified as soon as possible.

	Assessment Criteria	Change Impact Description	Impact
1	Transaction & Governance		
1.1	Trust deed & governing rules	<p>What changes (if any) to the Trust Deed or Governing Rules are required to facilitate the transfer?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
1.2	AFS licence conditions	<p>What changes (if any) are required to the Trustee's AFS Licence conditions?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
1.3	RSE licence conditions	<p>What changes (if any) are required to the Trustee's RSE Licence conditions?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
1.4	Trustee constitution	<p>What changes (if any) are required to the Trustee Constitution?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
1.5	Employer sponsor agreements	<p>Are there any agreements in place between the transferring RSE and employer sponsors which need to be transferred (novation or renegotiation)?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
1.6	Professional indemnity insurance	<p>Are there any necessary changes, notice or other obligations in relation to any professional indemnity (or trustee director liability) insurance that the Trustee has in place?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	

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	Assessment Criteria	Change Impact Description	Impact
1.7	Conflicts of interest	<p>Are there any conflicts of interest or duty which need to be avoided or managed resulting from the SFT transaction?</p> <p>The approach to avoiding or managing any such conflicts need to be assessed in accordance with the Trustee's conflicts management policy and documented in the Trustee SFT Management Plan.</p>	
1.8	Risk profile (Risk Management Plan)	<p>What impact does the SFT have on the severity or likelihood of identified risks? Does the SFT transaction create any new risks which need to be identified?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan and captured under the Trustee's Risk Management Framework.</p>	
1.9	Delegations & decision making	<p>Are appropriate delegations in place? Are any changes to the Trustee register of delegations?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
1.10	Reporting to Board (including committees)	<p>What reporting and escalation procedures are required to the board and board committee meetings?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
2	Product features & benefits		
2.1	New product	<p>Is a new financial product being issued?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
2.2	Existing product customisations	<p>Are the product features and benefits that transferring members will be entitled to after the transfer the same as those of existing members in the product that the transferring members are transferring to?</p> <p>Any special features or benefits (such as fee exemptions) should be documented in the Trustee SFT Management Plan.</p>	

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2.3	Product disclosure	<p>What changes (if any) are required to the existing product disclosure?</p> <p>Any required changes should be documented in the Trustee SFT Management Plan.</p>	
2.4	Investment option mapping	<p>How will the member investment options in the transferring fund be mapped to the Trustee investment options?</p> <p>The mapping should be agreed and documented in the Trustee SFT Management Plan.</p>	
2.5	Indirect fee & cost monitoring & reporting (RG97)	<p>Will the (in-specie) transfer of assets result in any material change in the indirect fees and costs, which the Trustee is required to notify members of (ongoing product disclosure obligations)?</p> <p>Any expected changes should be documented in the Trustee SFT Management Plan, including any related tasks.</p>	
2.6	Periodic reporting (Statements)	<p>Are members being transferred after the end of a reporting period and before the issue of member benefit statements (periodic reporting)?</p> <p>If so, the approach to ensuring that exit statements are issued by the transferring product issuer at transfer capture the prior reporting period should be documented in the Trustee SFT Management Plan.</p>	
2.7	MySuper	<p>Are some or all transferring members being transferred from and to MySuper products?</p> <p>The approach to retain consistent treatment of MySuper accounts should be documented in the Trustee SFT Management Plan, including any related tasks.</p>	
2.8	Insurance policies	<p>Are there any group or individual life and disability insurance policies which are being transferred from the existing Trustee to the receiving Trustee?</p> <p>The approach to managing the legal and administrative transfer of such arrangements (including any profit-sharing arrangements) should be documented in the Trustee SFT Management Plan.</p>	

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3	Member service & communication		
3.1	Financial advice	<p>What impact will there be on existing Trustee financial advisers, both in terms of product knowledge and capacity to service transferring members?</p> <p>The impact should be documented in the Trustee SFT Management Plan.</p>	
3.2	Contact Centre	<p>Are any changes required to the guidance provided to Contact Centre agents when taking calls from members and providing general advice?</p> <p>The impact should be documented in the Trustee SFT Management Plan.</p>	
3.3	Member correspondence & letters	<p>Are any new, or changes required to existing member email and letter templates:</p> <ul style="list-style-type: none"> ▪ Welcome Kit ▪ SFT specific correspondence ▪ Forms <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
3.4	Business rules	<p>Are any changes required to the Trustee Business Rules?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
3.5	Business processes	<p>Are any changes required to the Trustee Business Procedures?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
3.6	Internal dispute resolution	<p>What is the volume of outstanding internal complaints of transferring members, and how will these complaints be managed in the lead up, during and after the transition?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	

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	Assessment Criteria	Change Impact Description	Impact
3.7	External dispute resolution	<p>What is the volume of outstanding external disputes of transferring members, and how will these disputes be managed in the lead up, during and after the transition?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
3.8	Outstanding death and disability claims	<p>What is the volume of outstanding death and disability claims of transferring members, and how will these disputes be managed in the lead up, during and after the transition?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
3.9	Trustee websites	<p>Are there any changes required to the Trustee public facing website, or the secure member portal?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
4	Regulatory compliance		
4.1	Compliance assurance & monitoring	<p>Are there any changes which need to be reflected in the Trustee's compliance monitoring and reporting procedures?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
4.2	Outstanding remediation	<p>Does the transferring fund have any outstanding breaches, incidents or risk events impacting members requiring remediation (whether reported to regulators or not)?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
4.3	Governing documents (e.g. s29QB)	<p>Will any of the documents required to be shown on the Trustee's website (under SIS s29QB) be amended to enable or because of the SFT?</p> <p>Where changes are expected, the Trustee SFT Management Plan should capture these tasks.</p>	

	Assessment Criteria	Change Impact Description	Impact
5	Finance		
5.1	Mapping of reserves	<p>The mapping of the ORFR and any other reserves held by the transferring fund should be assessed to determine how this will impact the Trustee reserves.</p> <p>The mapping and any detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
5.2	Finance sector data collection (APRA Reporting)	<p>Will there be any changes required to the regulatory reporting process due to the transfer?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
5.3	Unit pricing & crediting rates where assets transferred in-specie	<p>Does the timing of valuation of assets to be transferred align with the timing of the Trustee unit prices to be used to transfer members into the Receiving Fund?</p> <p>If there is any misalignment, what materiality thresholds and indicators are required to ensure that equity issues do not arise within receiving Fund investment options?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
5.4	Tax accruals & parcels	<p>Will there be any tax accruals or parcels which need to be transitioned, and factored into unit pricing?</p> <p>The detail of any changes should be documented in the Trustee SFT Management Plan.</p>	
5.5	Income tax return	<p>Will the transferring fund be required to finalise their income tax return after the completion of the SFT?</p> <p>What arrangements are required to ensure that any returns are factored into pricing and subsequently paid to the receiving fund Trustee once assessed and resolved?</p> <p>The detail of the planned approach and any changes should be documented in the Trustee SFT Management Plan.</p>	

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	Assessment Criteria	Change Impact Description	Impact
6	Investments		
6.1	Liquidation or In-specie transfer	<p>Will the assets being transferred be transferred in-specie, or liquidated and transferred as cash (or a combination of both)?</p> <p>The detail of the agreed approach should be documented in the Trustee SFT Management Plan.</p>	
6.2	In-specie transfers should consider stamp duty	<p>Will the in-specie transfer of assets cause any stamp duty liabilities to become payable by the Trustee?</p> <p>The approach to calculation and payment of any such tax or stamp duty should be documented in the Trustee SFT Management Plan.</p>	
6.3	In-specie transfers should consider impact on any investment policy (responsible investing, ESG)	<p>Analysis is required to determine impact of any assets transferred in-specie on the Trustee's compliance with investment policies (ESG and responsible investing policies).</p> <p>The detail of any investment policy issues which need to be addressed should be documented in the Trustee SFT Management Plan.</p>	
6.4	In-specie transfers to consider compliance with portfolio rules	<p>Analysis required to determine impact of the transfer of assets on the portfolio compliance thresholds.</p> <p>Any action required to liquidate prior or manage after transfer should be documented in the Trustee SFT Management Plan.</p>	
6.5	Tax implications	<p>Are there any tax implications (including stamp duty on real property transfers) of the transfer which require actions on the Trustee's part at or after the transfer?</p> <p>Any tax implications or actions required should be documented in the Trustee SFT Management Plan.</p>	

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6.6	Managing assets pre-transfer	<p>Are there any requirements which the Trustee wishes to agree with the transferring fund Trustee in the period immediately prior to the transfer (e.g. not rolling over any term deposits)?</p> <p>Any action required should be documented in the Trustee SFT Management Plan.</p>	
7	Resource adequacy		
7.1	Capacity of human resources	<p>Does the Trustee have adequate capacity of human resources to manage:</p> <ul style="list-style-type: none"> ▪ The SFT project execution across all impacted business units? ▪ The increase in volumes resulting from the transfer of members and assets? <p>All resulting additional human resource needs should be detailed and documented in the Trustee SFT Management Plan.</p>	
7.2	Knowledge & skills	<p>Do the Trustee resources have adequate knowledge and skills to manage:</p> <ul style="list-style-type: none"> ▪ The SFT project execution across all impacted business units? ▪ Any changes identified in business operations resulting from the transfer of members and assets? <p>All resulting additional capability needs should be detailed and documented in the Trustee SFT Management Plan.</p>	

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7.3	Adequate budget of financial resources	<p>Does the Trustee have adequate budget allocated to enable:</p> <ul style="list-style-type: none"> ▪ Implementation of the SFT project and transaction? ▪ Ongoing operations, including any additional resources and increases in service provider fees. <p>A project, and ongoing budget impact assessment should be detailed and documented in the Trustee SFT Management Plan.</p>	
8	Material service providers		
8.1	Administrator	<p>The impact on the administration service provider should be assessed, including consideration of the following factors:</p> <ul style="list-style-type: none"> ▪ Is there going to be a change of administration service provider? ▪ Are any amendments to the existing contractual arrangements required to accommodate the transferring members? ▪ Are there any transition project fees and costs? ▪ Is there an impact on ongoing fees and costs? ▪ Does the transferring fund have adequate visibility of the member registry and benefit data quality? <p>Any action required should be documented in the Trustee SFT Management Plan.</p>	

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8.2	Custodian	<p>The impact on the asset custody service provider should be assessed, including consideration of the following factors:</p> <ul style="list-style-type: none"> ▪ Is there going to be a change of custody service provider? ▪ Are any amendments to the existing contractual arrangements required to accommodate the transferring assets? ▪ Are there any transition project fees and costs? ▪ Is there an impact on ongoing fees and costs? <p>Any action required should be documented in the Trustee SFT Management Plan.</p>	
8.3	Insurer	<p>The impact on the member benefit insurer should be assessed, including consideration of the following factors:</p> <ul style="list-style-type: none"> ▪ Assessment of impact on premiums. ▪ Does a claims history of the transferring fund need to be provided? <p>Any action required should be documented in the Trustee SFT Management Plan.</p>	
8.4	Investment managers	<p>The impact on investment managers should be assessed, including consideration of the following factors:</p> <ul style="list-style-type: none"> ▪ Unlisted asset fee arrangements which may need to be novated; and ▪ Any plans to make significant redemptions or investments with managers of transferring assets. <p>Any action required should be documented in the Trustee SFT Management Plan.</p>	
8.5	Auditors (external & internal)	<p>The impact on auditors should be assessed, including consideration of the following factors:</p> <ul style="list-style-type: none"> ▪ The scope of the next planned audit ▪ Any SFT specific audit requirements <p>Any action required should be documented in the Trustee SFT Management Plan.</p>	