

Introducing Corporate Collective Investment Vehicles Authors: Katie Barnes and Jake Reid

Traditionally it has been perceived that a lack of familiarity by foreign investors with the trust based structure of Australian managed investment schemes has been a significant barrier to attracting offshore investment in Australian funds.

To combat this, from 1 July 2022, funds managers will be able to register Corporate Collective Investment Vehicles (**CCIVs**) with ASIC.

Key Takeaways

- A CCIV is an alternative to a managed investment scheme.
- A CCIV will be able to offer multiple products (sub-funds) and investment strategies within the same vehicle.
- A CCIV will need to have a corporate director, whose role is comparable to that of a responsible entity for a managed investment scheme.

What is a CCIV?

A CCIV is an alternative to a managed investment scheme and has significant similarities with investment vehicles commonly used overseas. It is hoped that those similarities will make Australian funds more attractive to offshore investors and increase the competitiveness of the Australian funds management industry.

A CCIV has many similarities to a company:

- it is a company limited by shares and it must be registered with ASIC;
- it has a separate legal identity and will be regulated by the Corporations Act;
- it must have a constitution (like managed investment schemes, these are subject to prescribed consent rules); and
- it will have most of the powers, rights, duties and characteristics of a company.

A CCIV will be able to offer multiple products (sub-funds) and investment strategies within the same vehicle. A CCIV will need to have at least one sub-fund and each sub-fund must be registered with ASIC and have one member.

Each sub-fund will be segregated from other sub-funds of the CCIV. Accordingly, investors will hold an investment in a specific sub-fund of the CCIV and receive returns based on their share of capital in that sub-fund.

A CCIV can be either a retail or wholesale CCIV. The usual additional obligations to protect consumers will apply if it is a retail CCIV.

A CCIV will need to have a corporate director – an unlisted public company – whose role is comparable to that of a responsible entity for a managed investment scheme. The corporate director must hold an Australian financial services licence (**AFSL**) that authorises the corporate director to '*operate the business and conduct the affairs of the CCIV*'. This is a new AFSL authorisation specifically created for CCIVs.

Closer to 1 July 2022, we will take a closer look at the CCIV regime and practical issues that are likely to arise for Australian fund managers.

If you would like any further information or would like to discuss your legal obligations please contact [Katie Barnes](#) on 02 8235 1216 or your usual ClarkeKann contact.