



29 July 2021

Dominic Clarke  
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Australian Securities and Investments Commission  
Level 8, 120 Collins Street  
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By email: [policy.submissions@asic.gov.au](mailto:policy.submissions@asic.gov.au)

Dear Mr Clarke

**AFMA Response to CP 344 Remaking ASIC class order on when debentures can be called secured notes: [CO 12/1482]**

AFMA welcomes the opportunity to comment on the proposal to remake the Class Order instrument on when debentures can be called secured notes (CO 12/1482), which is currently set to expire on 1 April 2022.

We agree with the preliminary view outlined in CP 344 that this class order is operating effectively and efficiently, as a necessary and valued part of regulatory arrangements. The 'secured notes' category and conditions set out in CO 12/1482 provide an appropriate balance between ensuring investors are aware of nature of the product on offer and helping issuers avoid labelling their product as unsecured, where security has been provided over intangible property.

It remains important that issuers offering debentures secured by intangible property are not required to label their product as 'unsecured' (as per s283BH of the *Corporations Act*) when in fact there is sufficient security in place. Accordingly, we are supportive of the proposal to remake CO 12/1482 for the full 10-year period.

Please contact me by phone on 02 9776 7979 or by email at [nthompson@afma.com.au](mailto:nthompson@afma.com.au) if further clarification or elaboration is desired.

Yours sincerely

**Natalie Thompson**  
**Policy Manager**