

## ***ASIC reminds responsible entities of their obligations in COVID-19 environment***

Source: [www.asic.gov.au](http://www.asic.gov.au)

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### **Abstract:**

The [Australian Securities and Investments Commission](#) (ASIC) has written to a selection of responsible entities (REs) of large registered managed investment schemes to remind them of their legal obligations and duties to members, particularly in relation to scheme liquidity, as they face market volatility, disruption and other challenges associated with COVID-19.

ASIC has:

- reiterated that REs must manage scheme liquidity actively, including monitoring levels of redemptions and applications for scheme interests, actively assessing whether schemes remain liquid or non-liquid, determining whether the triggers for suspending redemptions have arisen, and carrying out obligations in line with ASIC's expectations in [Regulatory Guide 259 Risk management systems of responsible entities](#) relating to liquidity, risk management systems and stress testing;
- asked REs to notify ASIC immediately if their scheme is non-liquid or if they have decided to suspend redemptions; and
- asked REs of non-liquid schemes to consider applying for hardship relief and/or withdrawal relief.

A copy of ASIC's letter can be found [here](#).