

9 February 2012

The General Manager  
Business Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [cgt\\_tradingstock@treasury.gov.au](mailto:cgt_tradingstock@treasury.gov.au)

**RE: Exposure Draft – limiting the Trading Stock Exception for Superannuation Entities**

Dear Sir/Madam,

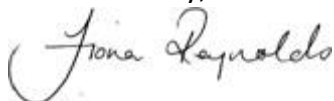
The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$450 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

The aim of the amendments is to ensure that any gains or losses on certain assets of a superannuation fund will be taxed under the capital gains tax (CGT) provisions and to remove any doubt about the extent of the CGT primary code that may arise for the superannuation industry if some superannuation funds treat certain assets as trading stock. This measure was outlined in the 2011-12 Budget.

AIST made a submission to the proposals paper: *Capital Gains Tax – limiting the trading stock exception for superannuation funds* in June 2011 and we continue to support the removal of the trading stock exception from subsection 295-85(4) of the *Income Tax Assessment Act 1997* (ITAA 1997). AIST also supports the transitional rules that apply, which effectively mean that the amendments are not retrospective, as the measure came into force upon release of the 2011-12 Budget.

If you have any further questions regarding this submission, please contact Tom Garcia, Policy and Regulatory Manager on (03) 8677 3804 or [tgarcia@aist.asn.au](mailto:tgarcia@aist.asn.au).

Yours sincerely,

A handwritten signature in black ink that reads 'Fiona Reynolds'.

Fiona Reynolds  
**Chief Executive Officer**