

14 September 2012

Manager
Benefits and Regulation Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: strongersuper@treasury.gov.au

Dear Sir/Madam,

Re: Roll-overs to SMSFs

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.

This exposure draft ("the ED") realises recommendation 26 of the Cooper Review, which AIST supported. Roll-overs from APRA regulated superannuation funds to SMSF's will become designated services as defined in the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act). This will require the transferring superannuation fund to comply with a range of obligations under the AML/CTF Act, including identifying the member rolling over the funds. We note that many funds already transact as if this transaction was a designated service, applying their know-your-customer (KYC) requirements at the point where funds are transferred out, regardless of destination. Making this a designated service will ensure consistency throughout the industry.

AIST supports this ED. The greater scope for assets, once received by SMSFs to be diverted for illicit purposes, including early release schemes, is well documented.

If you have any further questions regarding this submission, please contact Richard Webb, Policy & Regulatory Analyst on 03 8677 3800 or rwebb@aist.asn.au.

Yours sincerely,

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

Fiona Reynolds
Chief Executive Officer