

2 October 2012

Mr Tony McDonald  
Manager  
International Tax Treaties Unit  
International Tax and Treaties Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

**Sydney**

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Dear Tony

**RE: Invitation to Comment on the model FATCA intergovernmental agreement**

Challenger Limited (Challenger) thanks Treasury for the opportunity to comment on an intergovernmental agreement (IGA) between Australia and the United States of America ("U.S.") in relation to FATCA based on the published U.S. Model IGA, as an alternative to individual agreements between Australian financial institutions and the U.S. Internal Revenue Service.

Challenger is an investment management firm managing in excess of \$33 billion in assets, as at 30 June 2012. Challenger is focused on providing Australians with financial security in retirement. We do this by investing to create wealth in the accumulation phase of superannuation, and by converting accumulated wealth into safe and reliable income streams for retirees. Challenger operates two core investment businesses, an APRA regulated Life division and a fiduciary Funds Management division.

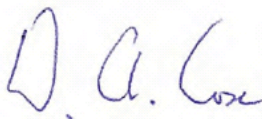
Challenger Life is the foremost issuer of annuities in Australia and manages more than \$9.8 billion for the benefit of more than 60,000 clients, the vast majority of whom are retired. An annuity is a simple, secure financial product that guarantees a series of payments in return for an upfront investment. Annuities provide investors with the comfort of knowing they will receive a pre-agreed, guaranteed income stream for a specific period of time.

The Funds Management division manages more than \$30 billion and includes Fidante Partners, which partners with boutique fund managers who strive to deliver sustainable superior performance across a broad range of investment strategies. Our Aligned Investments business, which is a significant investor in property, infrastructure and fixed interest in Australia and overseas, seeks to add value for major institutional clients and sovereign wealth funds by arranging and managing co-investments alongside Challenger Life.

We have had the benefit of viewing the Financial Services Council (FSC) submission on this issue and we endorse their submission.

Should you wish to discuss our position further, please do not hesitate to contact me on (02) 9994 7256.

Yours sincerely



David Cox  
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