

25 January 2012

Cost Recovery  
AUSTRAC  
PO Box 5516  
WEST CHATSWOOD NSW 1515

**Email:** [cost\\_recovery@austrac.gov.au](mailto:cost_recovery@austrac.gov.au)

**RE: Cost Recovery Impact Statement (revised December 2011) – Exposure Draft**

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.

AUSTRAC has released its revised Cost Recovery Impact Statement - Exposure Draft that outlines AUSTRAC's revised supervisory levy model and charging structure. The key revisions relate to the large entity component charging tiers as well as introducing a cap on the transaction reporting component payable by a group of leviable entities.

In making its submissions to AUSTRAC, AIST wishes to comment on the following regarding the proposed Exposure Draft (ED).

**Our position**

AIST's main concern relates to the large entity component levy and the applicable earnings measure with respect to superannuation funds. As stated in the ED, the earnings measure for the purposes of this component is earnings before income tax expense, net financing costs, depreciation and amortisation (EBITDA).

We note that for the superannuation sector, the large entity component of the supervisory levy will be calculated with reference to the earnings of the trustee of the superannuation fund, being the legal entity that is entered on the reporting entities roll. It is also understood that AUSTRAC acknowledges that this will result in a materially lower earnings figure.

AIST acknowledges the stakeholder consultation process that AUSTRAC has undertaken regarding this levy and the changes that have been made in response to industry feedback.

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