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AIST welcomes penalties for promoters of illegal early release schemes

The Australian Institute of Superannuation Trustees (AIST) welcomes the passing of a Government Bill that will impose penalties upon promoters of illegal early release schemes.

The Bill - *Tax and Superannuation Laws Amendment (2014 Measures No. 1) Bill 2014* - has been passed, with broad support from various industry bodies including AIST.

The Bill will mean that anyone caught promoting an illegal early release scheme will be subject to civil penalties under the SIS Act and Regulations.

Contravention of the civil penalties can result in civil or criminal penalties of up to five years imprisonment.

"This is not rocket science - we support action against promoters of early release schemes," said **Executive Manager, Policy and Research, David Haynes**, "the efficient operation of the super system (and proper benefit of the tax concessions) requires both diligence and enforcement."

In 2011-12, the ATO claimed to have prevented 298 funds from entering the system and removed 427 existing funds where they suspected illegal access was planned.

"This data from the ATO shows that this is not a small problem and we welcome any measures that will promote a better retirement future for all Australians," said Mr Haynes.

The Bill also imposes penalty provisions, including education orders, for Trustees who contravene the SIS Act and Regulations.

Mr Haynes said AIST agrees that there should be education provisions in place to educate SMSF trustees when they have contravened the SIS Act and Regulations; however it has long been AIST's position that education requirements for trustees should go further.

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AIST is the peak industry body for the \$600 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.