

8 August 2014

Manager
Tax Treaties Unit
Corporate and International Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: taxtreatiesunit_consultation@treasury.gov.au

Dear Sir/Madam,

Re: Australia's tax treaty negotiation program

The Australian Institute of Superannuation Trustees is a national not-for-profit organisation whose membership consists of the trustee directors and staff of industry, corporate and public-sector funds who manage the superannuation accounts of nearly two-thirds of the Australian workforce.

As the principal advocate and peak representative body for the \$600 billion not-for-profit superannuation sector, AIST plays a key role in policy development and is a leading provider of research.

AIST provides professional training, consulting services and support for trustees and fund staff to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members. Each year, AIST hosts the Conference of Major Superannuation Funds (CMSF), in addition to numerous other industry conferences and events.

AIST would like to endorse the comments and proposals made in the submission by the Association of Superannuation Funds Australia (ASFA).

We note that the intention of tax treaties is to ensure that double taxation is minimised. However, at the same time, we understand that tax treaties should not unintentionally allow for excessive tax minimisation or avoidance.

We note that the Australian superannuation funds were identified during discussions on compliance with the US Foreign Account Tax Compliance Act (FATCA) as they presented a low risk for US nationals to evade tax. The intergovernmental agreement (IGA) that dealt with FATCA ultimately provided an exemption to superannuation funds based upon this fact. We believe that the actions recommended in ASFA's submission are consistent with this logic.

AIST makes two additional points:

- We consider that the actions recommended are also consistent with the vision of Australia as a financial services hub, where expertise such as retirement savings vehicles can be exported globally.
- AIST notes an increase in requests for assistance by superannuation funds in advising members of all information necessary to comply with tax laws in their jurisdictions. We consider that the most appropriate source of guidance should be available to be sourced from the taxation authorities in affected foreign jurisdictions. A requirement that foreign tax authorities provide guidance in the form of guidance, pro-forma documentation or similar would ensure that such requests are able to be satisfied by superannuation fund staff.

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If you have any further questions regarding this submission, please contact Richard Webb, Policy & Regulatory Analyst on 03 8677 3835 or at rwebb@aist.asn.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Garcia', is written over a light blue horizontal line.

Tom Garcia
Chief Executive Officer