

**MEDIA RELEASE**

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**CCIV proposals still fall short for unlisted property funds: PFA**

The government's proposed new Corporate Collective Investment Vehicle (CCIV)\* bill is unlikely to be taken up in earnest by unlisted property funds due to several restrictions and compliance demands, according to the peak body representing the \$125 billion unlisted wholesale and retail property funds sector, Property Funds Association (PFA).

The CCIV introduces a new investment structure as an alternative to Managed Investment Schemes (MIS), acting more as a hybrid between a MIS and a company.

Paul Healy, CEO of the PFA, says the CCIV is an opportunity to promote investment in Australia's property fund industry but several requirements including tax treatments could hold it back. "PFA is hopeful the tax treatment can be addressed so it mirrors that of other current Australian managed investment vehicle."

Mr Healy said the CCIV may also be more attractive to unlisted property funds if the regulations did not restrict listing a CCIV. "We would hope CCIVs could operate under the same regulations as listed investment trusts, as there may be times when an unlisted entity may choose to list.

"Under current proposals this would be restricted, which may diminish the commercial appeal of the CCIV structure."

Mr Healy said an expected increase in compliance may also keep property funds away. "The current proposals include compliance obligations on wholesale CCIVs which do not apply to wholesale managed investment schemes.

"These obligations include requirements around registration with ASIC, lodging a constitution with ASIC, and rules around member meetings.

"The additional compliance burden makes operating a wholesale CCIV less attractive than operating a wholesale managed investment scheme."

Rules prohibiting common ownership of assets between sub-funds may also be a problem for property funds. "PFA sees no valid policy rationale for this, where adequate records are kept

and conflicts are managed in the manner usual for managed investment schemes run by the same responsible entity.”

*\*Treasury Laws Amendment (Corporate Collective Investment Vehicle) Bill 2018 (Bill)*

### **About Property Funds Association**

The Property Funds Association of Australia is the peak body representing the Australian unlisted wholesale and retail property funds sector, currently worth more than \$125 billion.

As the professional association for Australian Financial Services Licensed (AFSL) property fund managers, their advisors, consultants and representatives, we support and promote investment into unlisted property trusts, funds and syndicates, and assist members in developing and operating their businesses.

Visit: [www.propertyfunds.org.au](http://www.propertyfunds.org.au)

### **For more information please contact:**

Paul Healy  
CEO  
Property Funds Association  
Phone: +61 3 9614 0600  
Email: [paul.healy@propertyfunds.org.au](mailto:paul.healy@propertyfunds.org.au)

David Manallack  
Manallack PR  
Phone: 0407 334 938  
Email: [david@manallack.com.au](mailto:david@manallack.com.au)