

Financial System Division
The Treasury

By email: CIVreform@treasury.gov.au

Dear Sir/Madam

Submission on revised Corporate Collective Investment Vehicle Bill 2018

The Property Funds Association of Australia welcomes the release of the *Treasury Laws Amendment (Corporate Collective Investment Vehicle) Bill 2018 (Bill)* and explanatory materials. As we have stated in previous submissions, we see the proposed CCIV regime as an opportunity to promote investment in Australia's property management industry, although the parity of tax treatment with current Australian collective investment vehicles need to be addressed.

Our comments in this submission relate only to aspect of the regulatory framework.

Proscription of listing a CCIV

Maintaining that a CCIV is prohibited from being included on the official list of a prescribed financial market operated in the Australian jurisdiction does not create parity with listed real estate investment trusts. We suggest that regulatory parity is a desired policy objective in order to ensure the maximum commercial usage of the CCIV.

Regulatory parity between wholesale MISs and wholesale CCIVs

There are a number of compliance obligations on wholesale CCIVs that do not apply to wholesale managed investment schemes (such as registration with ASIC, lodging a constitution with ASIC, and rules around member meetings).

While we appreciate these requirements follow the requirements for companies, the additional compliance burden makes operating a wholesale CCIV less attractive than operating a wholesale managed investment scheme.

Common ownership of assets between sub-funds

Proposed section 1233K prohibits the common or joint ownership of assets between sub-funds of the same CCIV. We see 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.

Yours faithfully



Paul Healy
Chief Executive Officer