



MEDIA RELEASE

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RETIREMENT INCOME COVENANT AND CORPORATE COLLECTIVE INVESTMENT VEHICLE BILL A MILESTONE FOR FINANCIAL SERVICES

The Financial Services Council (FSC) welcomes the introduction of legislation today to implement the Corporate Collective Investment Vehicle (CCIV) and the Retirement Income Covenant.

FSC CEO Sally Loane said: “The FSC has been advocating for the introduction of the CCIV for many years because of its potential to unlock a significant export opportunity for the Australian funds management industry.”

“Foreign capital currently only contributes five per cent of investment into Australian managed funds, \$138bn as a proportion of \$2.6 trillion. We want to see Australia financial services industry contribute more to post-COVID national economic growth and the CCIV will help achieve this objective.

The CCIV regime will, for the first time, allow fund managers to use a corporate structure with flowthrough tax treatment for investment funds and provide international investors, many of whom are not from common law countries, opportunities to invest through a corporate vehicle that is familiar to them.

“The CCIV will reduce tax barriers for Australian fund managers and will help deliver an economic windfall as the economy recovers from the COVID-induced downturn,” Ms Loane said.

“The FSC also strongly supports the Retirement Income Covenant, which will require superannuation funds to develop a retirement income strategy for fund members who are retired or nearing retirement,” Ms Loane said.

“The FSC welcomes the Government taking on board feedback from the superannuation industry and implementing a principles-based approach to the Covenant.

“There is an urgent need for the Retirement Income Covenant as a growing proportion of Australians move into retirement, and we encourage the parliament to pass the Bill without delay.”

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About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.