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4 March 2013

Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

**By email:** [corporations.joint@aph.gov.au](mailto:corporations.joint@aph.gov.au)

Dear Sir

#### **Inquiry into Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013**

CPA Australia represents the diverse interests of more than 144,000 members in 127 countries. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. We welcome the opportunity to provide input into the above-mentioned inquiry.

In particular, we wish to comment on Schedule 4 — self managed superannuation funds and related parties, which will restrict the acquisition and disposal of assets between SMSFs and related parties.

CPA Australia does not support the introduction of this measure. We believe it is inequitable to restrict SMSFs from transacting effectively and efficiently off-market when there is no demonstrable evidence of abuse and this avenue remains available to all other investors, including APRA regulated funds and individuals. This measure will increase costs for SMSFs. We believe there are other more effective ways to address potential manipulation, such as imposing timeframes in which off-market transactions need to be registered, without adversely impacting the operation of SMSFs.

Notwithstanding our objections, having reviewed the legislation, we believe it should implement the measure as intended, although it is difficult to comment categorically when most of the detail will be contained in the regulations, which we are yet to see.

The one issue we do have is with the requirement in subsection 66B(3) for the disposal of assets to related parties being on-market (s66B(s)(a)) or with an independent valuation (s66B(s)(f)). There may be situations where a market does not exist for an asset or an independent valuation cannot be obtained cost effectively for a low value asset or at all and a fund would be prevented from disposing of an asset. This would be particularly problematic where trustees are trying to wind up a fund and are thus prevented from doing so. As such, we suggest a provision should be included in the regulations so that where there is no market and the trustee is unable to obtain an independent valuation after taking reasonable steps to do so, the trustee should be able to use their own valuation provided they can demonstrate a reasonable basis for it and it is documented.

Yours faithfully

**Michael Davison**  
**Senior Policy Adviser - Superannuation**