

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearing – May 2007

Question: F15

Outcome Enhanced capacity for the Australian Government to offset unfunded superannuation liabilities

Topic: Northern Trust – Australian Financial Services Licence

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Senator SHERRY asked:

What about an Australian financial services licence, which is issued by ASIC? Have they yet received a licence to operate in Australia?

Answer:

Northern Trust currently provides custody and related services to clients in Australia through a Deed of Reliance under ASIC's Class Order 03/1099. This was obtained in February 2004 and is maintained through the filing of semi-annual returns with ASIC.

On June 4th 2007, APRA granted Northern Trust consent to maintain a Representative Office in Melbourne. Northern Trust is currently liaising with APRA to open a Branch office in Melbourne as part of expanding their presence and operation in Australia. At the same time it has had discussions with ASIC and is in the process of submitting its application for an Australian Financial Services Licence (AFSL).

The Future Fund's agreement with Northern Trust requires them to have received their AFSL by the end of 2007 and, based on conversations with the regulators, Northern Trust are hopeful that this will be granted by September 2007.