

Company Secretary

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Ms Sue Morton
Committee Secretary
Select Committee on Superannuation
Parliament House
CANBERRA ACT 2600

Ref No.:

Dear Ms Morton

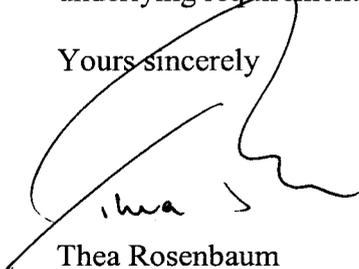
TAXATION OF TRANSFERS FROM OVERSEAS SUPERANNUATION FUNDS

I refer to your letter of 27 May in which you have sought our comments on the proposal to put in place a transfer protocol at regulator level, using agreed terminology, to facilitate transfers of superannuation entitlements.

We note that a significant number of issues relate to the taxation aspects of such transfers, in the context of the differential tax treatment applicable to the overseas relative to Australian funds. In respect of the prudential and retirement income aspects of any transfer, which are in APRA's area of responsibility, we believe that as long as the transfer is to an APRA (or the ATO) regulated entity, the relevant trustees would be governed by the current legislative provisions, and no separate treatment should be required.

We do, however, acknowledge that there would be value in exchanging information with the relevant regulators about the Australian requirements in order to clarify local terminology, so that they in turn could clarify the process to be followed by their funds in responding to transfer requests. Given the policy, tax and prudential and tax issues involved, we would be pleased to work with Treasury and the ATO in facilitating such an exchange. We believe this is best done through an exchange of correspondence rather than formal protocols, so that future changes to the underlying requirements could be more easily accommodated.

Yours sincerely



Thea Rosenbaum
Company Secretary

