

File Name: 2014/34

21 October 2014

Manager  
Small Business and Indirect Taxes Unit  
Small Business Tax Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

email: [TaxLawDesign@treasury.gov.au](mailto:TaxLawDesign@treasury.gov.au)

Dear Manager,

**RE: Capital Gains Tax Exemption for Compensation and Insurance**

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to the call for comments on the exposure draft legislation which seeks to ensure that a CGT exemption is available to trustees and beneficiaries who receive compensation or damages for certain insurance policies.

**About ASFA**

ASFA is a non-profit, non-political national organisation whose mission is to protect, promote and advance the interests of Australia's superannuation funds, their trustees and their members. We focus on the issues that affect the entire superannuation system. Our membership, which includes corporate, public sector, industry and retail superannuation funds, plus self-managed superannuation funds and small APRA funds through its service provider membership, represent over 90 per cent of the 12 million Australians with superannuation.

**1. General comments**

ASFA notes that this is one of the 92 announced but unenacted tax and superannuation measures that the Assistant Treasurer announced last year would proceed, and welcomes the decision to progress the matter through legislation.

ASFA is supportive of the measure and notes that, with respect to superannuation funds, the measure will give effect to a long entrenched ATO administrative practice. In this respect we support the decision to apply the amendments to CGT events happening in the 2005-06 and later income years and, with respect to a trustee other than the trustee for a complying superannuation entity, to payments made to a beneficiary with respect to CGT events occurring after the date of Royal Assent.

## 2. Specific comments

We have sought comments from ASFA members on the proposed legislative amendments and have not been advised of any concerns with the provisions as drafted.

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Should you have any queries in relation to the content of our submission, please contact Principal Policy Adviser, Robert Hodge, on (02) 8079 0806 or by email [rhodge@superannuation.asn.au](mailto:rhodge@superannuation.asn.au).

Yours sincerely



Glen McCrea  
Chief Policy Officer