

SUBMISSION

Submission to ASIC —
Draft *ASIC Corporations
(Design and Distribution
Obligations Interim
Measures) Instrument
2021*

24 August 2021

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Australian Securities and Investments Commission
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Via email: product.regulation@asic.gov.au

24 August 2021

Dear Sir/Madam

Draft ASIC Corporations (*Design and Distribution Obligations Interim Measures*) Instrument 2021

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to the draft *ASIC Corporations (Design and Distribution Obligations Interim Measures) Instrument 2021*.

About ASFA

ASFA is a non-profit, non-political national organisation whose mission is to continuously improve the superannuation system, so all Australians can enjoy a comfortable and dignified retirement. We focus on the issues that affect the entire Australian superannuation system and its \$3 trillion in retirement savings. Our membership is across all parts of the industry, including corporate, public sector, industry and retail superannuation funds, and associated service providers, representing almost 90 per cent of the 16.5 million Australians with superannuation.

General comments

ASFA is fully supportive of, and has advocated for, the exemption of facilities for making non-cash payments from the Design and Distribution Obligations (DDO) regime. As such, ASFA welcomes the Government's announcement to implement an amendment to this effect.

More immediately, ASFA fully supports ASIC's draft *ASIC Corporations (Design and Distribution Obligations Interim Measures) Instrument 2021* to provide temporary relief that gives effect to the Government's policy intention in the interim period before the legislative changes are made. The proposed legislative instrument, in exempting facilities for making non-cash payments, ensures superannuation clearing houses are not unnecessarily burdened with additional compliance and administrative costs.

Superannuation clearing houses allow employers and/or their payroll entities to make superannuation guarantee (SG) contributions to their employees' nominated superannuation funds by making a single aggregated payment to a superannuation clearing house, rather than making multiple payments directly to different nominated superannuation funds. The exemption of superannuation clearing houses from the DDO regime helps ensure the systematic efficiencies provided by this service continues.

If you have any queries or comments in relation to the content of our submission, please contact Maggie Kaczmarska, Senior Policy Advisor, on (02) 8079 0849 or by email mkaczmarska@superannuation.asn.au.

Yours sincerely



Julian Cabarrus

Director - Policy Operations, Member Engagement & External Relations