

The Association of Superannuation Funds of Australia Limited
ABN 29 002 786 290

ASFA Secretariat
PO Box 1485, Sydney NSW 2001
p: 02 9264 9300 (1800 812 798 outside Sydney)
f: 1300 926 484
w: www.superannuation.asn.au



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CORPORATE BOND AMENDMENTS

The Association of Superannuation Funds of Australia (ASFA) welcomes the Government facilitating the improved trading of retail corporate bonds in Australia by streamlining the regulatory requirements for issuing corporate bonds to retail investors.

ASFA believes that the development of a deep and liquid corporate bond market is in the interests of all investors but there are significant challenges to achieve this objective. Whilst the Government's reforms are supported by ASFA, it is considered that the overall impact on the depth and liquidity of Australia's corporate bond market is likely to be marginal. APRA regulated superannuation funds principally operate in the wholesale institutional market and as such superannuation funds will be largely unaffected by the Government's reforms.

A broad question that ASFA continues to explore is whether there are mechanisms that could facilitate the development of Australia's corporate bond market. At this stage ASFA believes that the corporate bond market will evolve organically; ASFA therefore does not believe that further legislation is required.