

Submission 201323

8 May 2013

ASX CODE OF PRACTICE FOR CLEARING AND SETTLEMENT OF CASH EQUITIES IN AUSTRALIA

The Association of Superannuation Funds of Australia (ASFA) welcomes the Code of Practice for Clearing and Settlement of Cash Equities in Australia (Code) and agrees that the Code will increase transparency and accessibility in the provision of clearing and settlement services for cash equities in Australia.

The Australian Superannuation pool currently stands at around AUD1.5 Trillion – the fourth largest pool on a global basis, a significant allocation of the pool is invested in Australian equities. As asset owners, Registrable Superannuation Entities (RSEs) are responsible for the capital allocation process.

ASFA, in particular, welcomes the establishment of the Forum in accordance with Section 2 of the Code; however, ASFA notes that the Forum does not currently include a representative of the superannuation industry in its composition. The impact of scale, regulation and competition means that ASFA's members will continue to be drawn closer to the actual assets; the importance of appropriate corporate governance will increase accordingly. Given the scale, growth and responsibility of ASFA's members, it is imperative that an Australian superannuation 'voice' contributes to the efficiency and transparency commentary.

Recommendations

ASFA recommends that the Forum to be established in accordance with Section 2 of the Code, include a representative of the Australian superannuation industry. ASFA, as the peak superannuation body in Australia, is willing to be that representative.