



Australian Private Equity & Venture Capital Association Limited

13 April 2017

Caitilin Hawkins
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Investment Managers and Superannuation
Level 7, 120 Collins Street
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Via email: Caitilin.Hawkins@asic.gov.au

Dear Caitilin,

ASIC Class Order on wholesale equity schemes: licensing relief for trustees

AVCAL welcomes the opportunity to provide comments in relation to ASIC's Consultation Paper 280: ASIC Class order on wholesale equity schemes (**Consultation Paper**), publicly released in March 2017.

The Australian Private Equity & Venture Capital Association (AVCAL) is a national association which represents the private equity and venture capital industry. AVCAL's members comprise most of the active private equity and venture capital firms in Australia, who together manage around A\$27 billion on behalf of Australian and offshore superannuation and pension funds, sovereign wealth funds and family offices.

Application to the private equity and venture capital industry

As noted in the Consultation Paper, ASIC Class Order [CO 07/74] was created to provide relief to trustees of wholesale equity schemes from the requirement to obtain an Australian Financial Services License (AFSL) under certain circumstances, with the policy intent of reducing the regulatory burden placed on our industry. This approach was taken in recognition of the sophisticated, wholesale nature of investors into such managed investment schemes.

Accordingly, we would support rolling-over the substance of the existing Class Order in the form of the draft ASIC instrument attached to the Consultation Paper. The pathway permitted under the Class Order remains valuable to fund managers in the private equity and venture capital industry by providing a clear licensing pathway to cover otherwise regulated activities.

We note that the Consultation Paper suggests that separate unit trusts are often used 'for tax reasons'. We would emphasise that multiple unit trusts are in fact used to ensure consistent and equal tax outcomes for all investors, in line with global standards.

Next steps

Thank you for considering our submission in response to the Consultation Paper. If you would like to discuss this issue in more detail, please feel free to contact either me or Christian Gergis, AVCAL Head of Policy & Research, on 02 8243 7000.

Yours sincerely,

Yasser El-Ansary
Chief Executive