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Sent: Friday, 7 March 2025 9:39 AM
To: markets consultation
Subject: [REDACTED] Submission to ASIC: Response to Discussion Paper – Australia's Evolving Capital Markets

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Date: 6th March 2025

To: markets.consultation@asic.gov.au

Dear ASIC,

Thank you for the opportunity to provide feedback on the discussion paper "*Australia's Evolving Capital Markets: A Discussion Paper on the Dynamics Between Public and Private Markets*" (released 26 February 2025). I commend ASIC's proactive approach to understanding the shifting dynamics between public and private markets and its commitment to enhancing the performance of Australia's financial system while promoting confident and informed participation from investors and consumers.

In response to the paper's exploration of how regulatory settings can adapt to evolving capital market trends—such as the decline in public listings and the growth of private markets—we submit that the Corporate Collective Investment Vehicle (CCIV) stands out as an exemplary vehicle for market participants. The CCIV offers a robust, flexible, and internationally competitive framework that addresses many of the challenges and opportunities raised in your discussion paper.

Below, I outline why the CCIV is uniquely positioned to support ASIC's objectives and enhance Australia's capital markets.

To provide some context, prior to my strong interest in CCIV's as a valuable investment solution, where I prepared multiple videos and papers on the subject, I was an equity crowdfunding pioneer contributing to the USA Jobs Act and assisted multiple regulatory authorities in multiple jurisdictions because of the enviable track record I had in this area.

The CCIV as a Solution to Evolving Market Dynamics

The CCIV, introduced as a modern investment fund structure in Australia, provides a corporate alternative to traditional trust-based managed investment schemes. Its design directly responds to the need for a vehicle that bridges the gap between public and private market demands, offering benefits that align with ASIC's goals of improving market efficiency, attracting capital, and ensuring investor confidence. It also enables International investors, unfamiliar or

untrusting of the Australian trust entity based structure to directly invest in Australia through a known and familiar direct investment entity structure.

Key advantages of the CCIV include:

1. Flexibility Across Public and Private Markets

The CCIV's ability to operate multiple sub-funds under a single corporate umbrella allows market participants to seamlessly blend public and private investment strategies. This flexibility enables fund managers to cater to diverse investor appetites—whether retail investors seeking transparency or sophisticated investors pursuing private market opportunities—within a single, regulated entity. As the discussion paper notes the decline in public listings and the rise of private capital, the CCIV offers a hybrid solution that encourages participation in both spheres without sacrificing regulatory oversight or investor protections.

2. Enhanced Fundraising Capabilities with an AFSL

A standout feature of the CCIV is its inclusion of an Australian Financial Services Licence (AFSL) for fundraising. This authorisation streamlines the capital-raising process, reducing regulatory friction and enabling market participants to efficiently attract both domestic and international capital. In an environment where global investors increasingly favour familiar corporate structures (e.g., UK OEICs or US Investment Companies), the CCIV's AFSL-backed framework positions it as a compelling vehicle for cross-border fundraising, directly addressing the paper's focus on making Australia's markets more attractive to offshore investors.

3. Regulatory Certainty and Investor Confidence

Regulated by ASIC, the CCIV operates under a framework that balances investor protection with operational efficiency. Unlike opaque private market vehicles, the CCIV provides clear governance through its corporate structure and compliance with ASIC's oversight, mitigating concerns about transparency and risk highlighted in the discussion paper. This clarity enhances investor confidence—an objective ASIC emphasises—while offering a less burdensome alternative to the red tape often associated with traditional managed investment schemes.

4. Tax Efficiency and International Competitiveness

The CCIV's flow-through tax treatment aligns with global standards, ensuring investors are taxed similarly to unit trusts rather than facing double taxation. This tax transparency, combined with its corporate structure, mirrors successful international models and makes the CCIV a competitive choice for market participants looking to attract capital from jurisdictions familiar with such frameworks. As the discussion paper explores how

Australia can remain a viable destination for investment amidst global trends, the CCIV's design directly supports this ambition.

Addressing ASIC's Key Questions

The CCIV's attributes make it a practical and forward-looking response to several of the discussion paper's implicit and explicit questions:

- **How can public markets remain attractive?** The CCIV's corporate structure and AFSL provide a streamlined pathway for entities to raise capital publicly while retaining fund-like flexibility, countering the trend of declining listings.
- **How can private market risks be managed?** By offering a regulated alternative to less transparent private vehicles, the CCIV reduces opacity and ensures investor protections, aligning with ASIC's focus on market integrity.
- **What role can regulation play in enhancing capital markets?** Expanding the adoption and awareness of the CCIV as a preferred vehicle could encourage a balanced ecosystem where public and private markets complement each other, supported by a modern regulatory framework.

Recommendations for ASIC

To fully leverage the CCIV's potential in addressing the evolving dynamics outlined in the discussion paper, I propose the following actionable ideas:

1. **Promote Awareness and Adoption** – ASIC could actively educate market participants about the CCIV's benefits, particularly its AFSL-enabled fundraising capabilities and international appeal, through workshops, guidance notes, or industry partnerships.
2. **Streamline Implementation** – Further simplify the process for establishing and operating CCIVs to encourage uptake, ensuring it remains a practical alternative to both traditional schemes and unregulated private vehicles.
3. **Monitor and Showcase Success** – Collect data on CCIV usage and highlight successful case studies to demonstrate its effectiveness in attracting capital and supporting investor confidence, reinforcing its role in Australia's capital markets.

Conclusion

The CCIV represents a forward-thinking solution that aligns with ASIC's mission to maintain and improve the financial system while adapting to the evolving interplay between public and private markets. Its corporate structure, AFSL-backed fundraising capabilities, regulatory oversight, and tax efficiency make it an excellent vehicle for market participants seeking to navigate today's complex capital landscape. I believe that by championing the CCIV, ASIC can enhance Australia's position as a global financial hub, fostering a market environment that is both innovative and secure.

I appreciate the opportunity to contribute to this important discussion and welcome further engagement on how the CCIV can support ASIC's objectives. Please feel free to contact me for additional insights or clarification.

Yours sincerely


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Queensland
Australia