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Spaceship Capital Limited
ABN 67 621 011 649
Level 3, 60 Castlereagh Street
Sydney NSW 2000
support@etoro.com

Submitted via email at rri.consultation@asic.gov.au

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To Whom It May Concern,

CP 388 Submission

Spaceship Capital Limited (SCL) welcomes the opportunity to provide feedback on Consultation Paper 388 — *Net Tangible Assets Requirement for Responsible Entities* (CP388), published 18 March 2026.

SCL (AFSL 501605) is the responsible entity of the Spaceship Voyager registered scheme. SCL is subject to the concessional NTA requirement under ASIC Corporations (Financial Requirements for Responsible Entities, IDPS Operators and Corporate Directors of Retail CCIVs) Instrument 2023/647 (Instrument 2023/647).

SCL currently meets all NTA requirements with a comfortable surplus and strong cash and liquidity buffers. The binding constraint under the concessional regime is limb (b) — 0.5% of average scheme property.

Responses to Specific Questions

C1Q1 — Should the concessional NTA requirement continue to apply?

SCL submits that the concessional NTA requirement should be retained.

The concessional framework reflects a considered and appropriate policy distinction. The non-concessional capital floor addresses the risk of asset loss where a responsible entity holds or controls scheme property. Where an eligible custodian holds all scheme assets, that risk does not exist. Applying the non-concessional floor in those circumstances would be disproportionate and inconsistent with the policy rationale for the requirement.

ASIC has confirmed that the financial requirements for responsible entities are not intended to prevent insolvency or to compensate investors for losses (RG 166.15, RG 166.18–19). A $10 million floor applied to custodian-backed structures would exceed that purpose without producing a commensurate reduction in investor risk.

SCL satisfies the qualifying conditions for the concessional requirement. Its scheme holds only liquid financial assets through an eligible custodian, and that structure addresses the transition risks the higher capital threshold is designed to mitigate.

SCL respectfully submits that the concessional framework should be retained and its application confirmed for responsible entities that satisfy the qualifying custodian conditions. Removal of the concessional regime would impose capital requirements that are not proportionate to the risk profile of custodian-backed schemes and would be inconsistent with the policy objectives underpinning the financial requirements regime.

C1Q2 — If changes are made, what form should they take?

If ASIC considers changes to be necessary, SCL proposes removing the $5M cap on limb (b) entirely, replacing it with a fully uncapped 0.5%-of-average-FUM requirement.

This approach would allow the NTA requirement to scale continuously and proportionately with scheme size, removing the cliff-edge transition to a flat $10 million floor that the current structure produces. It would preserve the policy intention of ensuring responsible entities remain entities of substance as their schemes grow, while providing a naturally self-calibrating mechanism that responds to growth without requiring periodic threshold amendments.

Critically, this reform would also avoid imposing a fixed and disproportionate capital burden on responsible entities whose custodial structures already address the risks that the $10 million floor was designed to mitigate. A proportionate, FUM-linked requirement is better calibrated to the actual risk profile of custodian-backed schemes and is more consistent with the policy objectives ASIC has articulated for the financial requirements regime.

B3Q2 — What should the new $5M cap be?

SCL supports a CPI-only uplift as the maximum appropriate adjustment to the $5M cap.

The uncapped 10% average revenue requirement under limb (c) already captures incremental operational risk as a scheme grows, scaling continuously with income regardless of FUM size. A cap increase beyond CPI would therefore be redundant from a risk-alignment perspective, as that risk is already addressed by the existing regime. It would also impose a disproportionate burden on responsible entities whose revenue has not yet scaled commensurately with their FUM.

B1Q5 — Should ASIC adopt an ongoing CPI indexation mechanism?

SCL opposes automatic CPI indexation without periodic review and consultation.

Automatic indexation would remove industry input from future adjustments,could impose costs disproportionate to policy objectives at any given time and could create risk of not adhering to minimum capital requirements should indexed increased requirements exceed available capital resources.

SCL requests that any indexation mechanism include a minimum five-yearly review trigger and a clear consultation process before any further uplift is applied.

B5Q2 — Is a six-month transition period adequate?

SCL submits that a six-month transition period is materially insufficient and requests a minimum of 18–24 months for any changes to the concessional NTA regime.

Where changes to the concessional regime require affected entities to raise additional capital, the practical steps involved cannot realistically be completed within six months. Remedying a capital shortfall of the kind that may arise from removal or material tightening of the concessional regime would require governance approvals across group entities, regulatory notifications where applicable, and the logistics of cross-border capital transfers. Each of these steps involves lead times that are largely outside the control of the responsible entity and cannot be compressed without material risk to the integrity of the process.

Compliance Costs and Competition Impact

The principal compliance cost risk for SCL arises from Section C of CP388. Removal of the concessional regime would require a material group-level equity injection that would not be recoverable from scheme members and would fall entirely on SCL and its parent group.

SCL also notes that a $10M non-concessional floor would disproportionately burden smaller and mid-size responsible entities relative to large fund managers for whom $10M represents a negligible proportion of assets under management. This risks consolidation in the managed fund sector and reduced competition, contrary to the regulatory objectives of ASIC and Treasury.

The proposals in Options 1, 2 and 3 of CP388 do not present a near-term compliance cost for SCL, as its current FUM-based NTA requirement has not reached the existing $5M cap under any of the proposed scenarios. Changes to the liquidity component would similarly have no near-term impact given SCL's strong cash and liquidity position.

Should you require any further information or have any enquiries, please contact our support team at support@etoro.com.

Sincerely,

[redacted]

[redacted] Director

Spaceship Capital Limited

[redacted]

[redacted] Director