



MEDIA RELEASE

10 February 2022

FSC WELCOMES RETIREMENT INCOME COVENANT AND CORPORATE COLLECTIVE INVESTMENT VEHICLE

The Financial Services Council (FSC) welcomes the passage of legislation with bi-partisan support to implement a Corporate Collective Investment Vehicle (CCIV) and the Retirement Income Covenant.

FSC Acting CEO Blake Briggs said, “This is a historic day for financial services, with the passage of two vital reforms that have been long-supported by the FSC: the CCIV and the Covenant.

“The CCIV will open up new export opportunities for Australia’s funds management industry. We have one of the largest funds industries in the world, but regulatory settings have discouraged us from using this strong base to export our expertise to the rest of the world.

“Only five percent of the funds managed in Australia comes from offshore (\$145bn out of \$2.6 trn), showing the significant scope for Australia to build on our existing strengths to export this to the globe,” Mr Briggs said.

The CCIV combines a company structure with flowthrough tax treatment, which is more familiar to international investors who are more used to corporate investment structures.

“The FSC also strongly supports the Retirement Income Covenant, which will require superannuation funds to develop a retirement income strategy for fund members who are retired or nearing retirement.

“The Retirement Income Covenant will help a growing proportion of Australians plan with certainty as they move into their retirement,” Mr Briggs said.

The CCIV and Covenant both start operation from 1 July 2022.

- Ends

Contact: media@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.