

28 September 2012

Mr Tony McDonald

Manager
International Tax Treaties Unit
International Tax and Treaties Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: taxtreatiesunitconsultation@treasury.gov.au

Dear Tony,

RE: Invitation to Comment on the model FATCA intergovernmental agreement

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$450 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

We wish to thank Treasury for the opportunity to comment on advantages and disadvantages of an intergovernmental agreement (IGA) between Australia and the United States of America (U.S.) in relation to FATCA.

AIST would like to endorse the submission made by the Financial Services Council (FSC). AIST fully supports the Australian Government entering into an IGA with the U.S. in relation to FATCA. We believe that the published U.S. Model IGA ("Model 1 - Reciprocal" version), has significant advantages when compared to individual agreements between Australian financial institutions (FIs) and the U.S. Internal Revenue Service (IRS), or the Model 2 versions.

We see the main advantages of the proposed IGA as its ability to:

- exempt retirement plans;
- exempt other "low risk" products;
- overcome domestic legal impediments;
- reduce compliance burden for Australian FI's and consumers;
- leverage existing Anti-Money Laundering/Counter Terrorism Laws (AML-CTF) laws;
- improve tax information exchange with the U.S. and increases Australia's involvement in future information sharing standards;

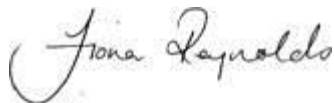
- eliminate the need for withholding on FI's in Australia; and
- ensure a level playing field between Australia and its trading partners in other FATCA partner countries.

These and other advantages are described in substantive detail in the appendix attached to the FSC submission.

Finally, we support the FSC's request for the Government to make an announcement confirming an IGA between Australia and the U.S., should one be entered into. This would give the industry a greater level of certainty in planning and developing systems to accommodate FATCA requirements.

If you have any further questions regarding this submission, please contact Tom Garcia, Policy & Regulatory Manager on 03 8677 3804 or tgarcia@aist.asn.au.

Yours sincerely,

A handwritten signature in black ink that reads 'Fiona Reynolds'.

Fiona Reynolds
Chief Executive Officer