

# EXPOSURE-DRAFT

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Inserts for  
**Superannuation Legislation Amendment  
(Stronger Super and Other Measures)  
Bill (No. 2) 2012: Intra-fund  
consolidation of superannuation interests**

<b>EXPOSURE DRAFT</b>
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**Commencement information**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Schedule #	1 January 2013	

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2 **Schedule #—Merging multiple interests in a**  
3 **superannuation entity**  
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5 *Superannuation Industry (Supervision) Act 1993*

6 **1 Before subsection 29E(7)**

7 Insert:

8 *Complying with rules relating to merging multiple interests in a*  
9 *superannuation entity*

- 10 (6B) The following additional condition is imposed on each RSE licence  
11 that relates to a superannuation entity for which the RSE licensee  
12 has obligations under section 108A. The condition is that the RSE  
13 licensee must ensure that the rules that that section requires in  
14 relation to the superannuation entity are complied with.

15 **2 After section 108**

16 Insert:

17 **108A Trustee’s duty to identify multiple interests of members in a**  
18 **superannuation entity**

- 19 (1) Each trustee of a superannuation entity (other than the trustee of a  
20 pooled superannuation trust or a self managed superannuation  
21 fund) must ensure that rules are established (whether by inclusion  
22 in the governing rules or otherwise), which:  
23 (a) set out a procedure for identifying when a member of the  
24 superannuation entity has more than one superannuation  
25 interest in the superannuation entity; and  
26 (b) require the trustee to carry out the procedure to identify such  
27 members at least once each financial year; and  
28 (c) if the member has two or more superannuation interests  
29 (other than defined benefit interests) in the superannuation  
30 entity—require the trustee to merge the interests if it is in the  
31 best interests of the member to do so; and  
32 (d) provide that fees are not payable for any merger of  
33 superannuation interests that occurs as a result of the rules in  
34 paragraphs (a) to (c).

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1 (1A) The requirement in paragraph (1)(c) does not apply to the extent  
2 that it is not practicable in the circumstances to merge the  
3 member's interests.

4 (2) In determining, for the purpose of paragraph (1)(c), whether it is in  
5 the best interests of a member to merge their interests, the trustee  
6 must consider the total amount of fees and charges payable by the  
7 member in respect of their interests in the superannuation entity  
8 (including any fees and charges payable by the member for  
9 insurance provided in respect of the superannuation interest).

10 (3) A trustee commits an offence if the trustee contravenes  
11 subsection (1). This is an offence of strict liability.

12 Penalty: 50 penalty units.

13 Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of  
14 criminal responsibility.

15 Note 2: For *strict liability*, see section 6.1 of the *Criminal Code*.

## 16 3 Application

17 The amendments made by this Schedule apply from 1 January 2013.