



PITCHER PARTNERS

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Pitcher Partners is an association of independent firms  
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

2 February 2018

Mr David Hawkins  
Corporate and International Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [CIVreform@treasury.gov.au](mailto:CIVreform@treasury.gov.au)

Dear Mr Hawkins

**CORPORATE COLLECTIVE INVESTMENT VEHICLE (CCIV)  
EXPOSURE DRAFT (ED) LEGISLATION**

Thank you for the opportunity to provide comments on the exposure draft (ED) Corporate Collective Investment Vehicle (CCIV) legislation. Pitcher Partners commends the Federal Government on their initiative to improve the international competitiveness of the Australian funds management industry.

By way of background, Pitcher Partners is a national association of independent firms operating in Adelaide, Brisbane, Melbourne, Newcastle, Perth and Sydney. Collectively, we are one of the largest accounting associations outside the Big Four.

We predominantly focus on servicing the middle market. The typical investment vehicle in this market would have net assets of between \$20 million to \$500 million. These vehicles are generally operated by Australian private company businesses that conduct fund management operations in Australia. They would generally have between approximately 5 to 30 staff members. We currently act as auditors and tax advisers for over 30 Listed Investment Companies (LICs) and over 100 managed funds and funds management companies.

Following introduction of the CCIV legislation, widely-held passive investment vehicles in Australia will comprise three types: managed funds, LICs and the proposed CCIVs.

This submission seeks to provide a level income tax playing field across the widely-held passive investment vehicles.

Subdivision 276-JA of the ED legislation effectively proposes the extension of the Capital Account Election from Managed Investment Trusts (MITs) to CCIVs.

We strongly support current and previous submissions from LICs and advisers to LICs\* to also extend the Capital Account Election from Managed Investment Trusts to LICs so that the election can apply to all widely-held passive investment vehicles.

This would enable all investment vehicles to make investment decisions in the best interests of investors and also allow all investors to make investment decisions in relation to such vehicles without reference to different income tax treatment between these vehicles.

Our comments are provided on behalf of Pitcher Partners Sydney and is in addition to a more detailed submission from Mr. Alexis Kokkinos of Pitcher Partners Melbourne on fundamental issues with the ED legislation.

Thank you for considering our submissions. We would welcome the opportunity to discuss our submissions in further detail. If you have any questions regarding the above, please do not hesitate to contact me on (02) 8236 7725.

Yours faithfully

**PITCHER PARTNERS**



Allan Mortel  
Partner

\* Including previous submissions dated 2 December 2008, 10 July 2009, 22 December 2009 (in response to draft MIT legislation) and 28 February 2011 (in response to the Discussion Paper on the Review of Tax Arrangements applying to Collective Investment Vehicles) in one of my previous roles as the Chairman of the National Tax Group of Moore Stephens Australia