

8 July 2022

Assistant Director  
Advice Unit  
Retirement Advice and Investment Division  
Treasury  
Langton Crescent  
Parkes ACT 2600

Dear Madam or Sir

**Submission to the Post-Implementation Review on the removal of the stamping fee exemption**

VanEck manages 30 exchange traded funds trading on ASX in competition with LICs and LITs. Exchange traded funds generally have lower fees than LICs and LITs and a superior open-ended structure. The open-ended structure allows the investors at all times to sell at very close to net asset value of the fund, whereas the closed-ended structure of the LICs and LITs means that investors will typically have to sell at a significant discount to the net asset value.

Despite the clear advantages of exchange traded funds, before the removal of the stamping fee exemption, exchange traded funds were losing customers to LICs and LITs. Since the stamping fee exemption has been removed, the flow of these LICs and LITs into the market has dried up. Without the stamping fee incentive, there is no demand for those products.

The removal of the stamping fee exemption has restored competitive neutrality to the market and closed off the problem of investors getting locked into funds that they can only sell out of at a discount.

The removal of the stamping fee exemption has been of significant benefit to investors. The conflicted remuneration rules are an important protection for investors and the Government should remain diligent to plug any loopholes that arise, as they have done in this case.

Yours,



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