

29 January 2016

Division Head  
Financial System Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [resilienceandcollateral@treasury.gov.au](mailto:resilienceandcollateral@treasury.gov.au)

Dear sir/madam,

**Re: Resilience and Collateral Protection and Client Money Reforms**

AIST welcomes measures aimed at improving resilience and stability of Australia's financial system as well as facilitating participation in international derivatives markets. We support measures aimed at protecting retail clients, and we support efficiencies in wholesale derivatives markets, particularly where participants are Australia's superannuation funds.

We look forward to consultations around margin requirements with APRA, however we point out that any additional costs resulting from margining will be ultimately borne by members of superannuation funds. We note that the largest activity in derivative activity undertaken by funds is with regards to foreign currency hedging.

If you have any further questions regarding this submission, please contact David Haynes, Executive Manager Policy & Research on 03 8677 3800 or at [dhaynes@aist.asn.au](mailto:dhaynes@aist.asn.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Garcia', is written over a light blue horizontal line.

Tom Garcia  
**Chief Executive Officer**

*The Australian Institute of Superannuation Trustees is a national not-for-profit organisation whose membership consists of the trustee directors and staff of industry, corporate and public-sector funds.*

*As the principal advocate and peak representative body for the \$650 billion not-for-profit superannuation sector, AIST plays a key role in policy development and is a leading provider of research.*

*AIST provides professional training and support for trustees and fund staff to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members. Each year, AIST hosts the Conference of Major Superannuation Funds (CMSF), in addition to numerous other industry conferences and events.*