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General Manager, Policy  
Australian Prudential Regulation Authority  
1 Martin Place  
Sydney, NSW 2001

By email: [REDACTED]

28 April 2023

Dear General Manager

### **APPROVAL TO OWN OR CONTROL AN RSE LICENSEE: PROPOSED CLASS EXEMPTION**

Vision Super supports the proposed class exemption to remove the need for a certain class of RSE licensee directors to obtain approval to own or control an RSE licensee.

Vision Super Pty Ltd (VSPL) is owned 100% by Local Authorities Superannuation Fund (LASF) and has done since the inception of the fund in 1998. VSPL is the trustee of LASF.

Each employer and member representative on the VSPL Board holds one share of VSPL as bare trustee/nominee for LASF. Each outgoing director transfers the share they hold on trust to the incoming/replacement director who continues to hold that share as bare trustee/nominee for LASF. As such, VSPL has eight issued shares and each director holds 12.5% of the shares issued as bare trustee/nominee for LASF.

As individuals holding a share as a bare trustee/nominee for LASF, each director holds their share on trust for the beneficiary of the share (ie LASF). As a bare trust arrangement, LASF has the absolute right to the capital and assets within the trust (ie the share held by the individual) as well as the income generated from the asset. The director has the responsibility of managing the share prudently and as lawfully directed by beneficiary or the trust's creator. However, the individual has no say in how or when the bare trust's capital or income is distributed. Each director is required to exercise their judgement independently of each other in respect of the management of their share and is not required to act under instruction (formally or informally) in respect of that share (including how they exercise the voting rights of the share). This is evidenced at the end of Clause 9(a) of VSPL's constitution that the shareholders hold the shares in trust for LASF.

Under VSPL's constitution, a director who is also a shareholder owes an irrevocable obligation to the company secretary to transfer all shares in the company that they hold to any person nominated by the company secretary, if they cease to be director for any reason. The director, in consideration of the issue or transfer of a share or shares to the director irrevocably appoints the company secretary as that director's attorney to do all things necessary, including but not limited to, the signing of a share transfer form to give effect to the relevant transfer.

Based on the current change of control and ownership provisions of the Superannuation Industry (Supervision) Act 1993 (SIS Act), each of our directors is deemed to have 100% control of VSPL because each director is deemed to be an associate of each other. As such, we have eight controllers who each have 100% control of the trustee even though each director only holds 12.5% of the shares issued on behalf of our super fund. The proposed class exemption addresses this anomaly and as such, we support it.

For any questions on this submission, please contact [REDACTED]

Yours sincerely

Noelle Kelleher