EXPLANATORY STATEMENT

Superannuation Supervisory Levy Imposition Determination 2011

This determination relates to a levy imposed by the *Superannuation Supervisory Levy Imposition Act 1998* on superannuation entities.

This determination commences on the day after it is registered and relates to the 2011-12 financial year. The *Superannuation Supervisory Levy Imposition Determination 2010* is revoked on 1 July. Consistent with section 50 of the *Acts Interpretation Act 1901*, any obligation or liability incurred in previous financial years remains valid.

Subsection 7(3) of the *Superannuation Supervisory Levy Imposition Act 1998* allows the Minister to determine:

(a) the maximum restricted levy amount for each financial year;

(b) the minimum restricted levy amount for each financial year;

(c) the restricted levy percentage for each financial year;

(ca) the unrestricted levy percentage for each financial year; and

(d) how a superannuation entity's asset value is to be calculated.

For superannuation funds other than small APRA funds (SAFs), this determination provides that the restricted component of the 2011-12 levy will be calculated at 0.01264 per cent of assets held by the entity, subject to a minimum of $570 and a maximum of $260,000. The unrestricted component of the 2011-12 levy will be calculated at 0.001534 per cent of assets held by the entity.

For SAFs, this determination provides that the restricted component of the 2011-12 levy will be calculated at zero per cent of assets held by the entity, subject to a minimum of $500 and a maximum of $500. The unrestricted component of the 2011-12 levy will be calculated at zero per cent of assets held by the entity. In effect, SAFs will be levied a flat amount of $500 per fund.

The finance sector has been consulted on the 2011-12 supervisory levies through a Treasury and Australian Prudential Regulation Authority Discussion Paper released on 18 May 2011.

This determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.