



MEDIA RELEASE

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FSC WELCOMES END TO GRANDFATHERED CONFLICTED REMUNERATION

The Financial Services Council (FSC) has welcomed the passage of legislation ending grandfathered conflicted remuneration payments to financial advisers.

FSC CEO Sally Loane said the FSC has been consistent in its support for ending grandfathered conflicted payments, which was detailed in the FSC's submission to the Royal Commission last year.

"It is encouraging to see the government acting promptly on the Royal Commission implementation roadmap and delivering on Recommendation 2.4, which is expected to benefit Australian consumers," Ms Loane said.

"From 1 January 2021, as part of these reforms, where a conflicted remuneration is payable in contracts, the benefit must be passed through to the client.

"This is consistent with the FSC position of enhancing confidence in a strong, sustainable financial services sector, that serves Australians with integrity," Ms Loane said.

These reforms remove remuneration arrangements that are today considered conflicted and also deliver an appropriate transition period for businesses.

"The FSC will continue working with government and relevant stakeholders to help ensure the effective implementation of the Royal Commission's recommendations, set out in the Government's roadmap, and that the arrangements reached are workable for business."

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About the Financial Services Council

The Financial Services Council (FSC) has more than 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency. The FSC's mission is to protect and enhance confidence in a strong, sustainable financial services sector that serves Australians with integrity