



MEDIA RELEASE

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FSC SUBMISSION RELEASED ON REGISTRABLE SUPERANNUATION ENTITY (RSE) LICENCING CHANGES

The Financial Services Council (FSC) today released its submission on Exposure Draft (ED) legislation relating to two Royal Commission recommendations:

- RSE licence condition – no other duty; and
- ASIC regulation of superannuation.

FSC CEO Sally Loane said while the FSC supports the intent of both pieces of legislation, the organisation has identified several concerns where short timeframes and lack of clarity in drafting may make it difficult for superannuation funds to comply while acting in the best interests of their members.

“The FSC has recommended critical amendments that will ensure measures can be implemented effectively without compromising policy intent,” Ms Loane said.

The FSC submission recommends the Government:

- Extend the commencement date to allow 24 months from Royal Assent for full compliance with the requirement to separate RE and RSE functions, with an interim requirement for transition plans to be provided to APRA;
- Expedite additional relief for licensees transferring Responsible Entity (RE) or RSE functions to another entity within the same corporate group, including simplifying the requirements for license applications;
- Ensure any structural changes required as a result of this legislation are tax neutral, with all necessary tax relief provided as necessary to achieve this aim;
- Clarify license and authorisation requirements for external services providers, including administrators.

Ms Loane said the significant practical and legal issues involved in implementing significant structural changes to superannuation businesses will require close engagement with regulators through the transition process.

The FSC submission is in response to Recommendations 3.1, 3.8, 6.3, 6.4, and 6.5 of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Read the submission in full here: <https://fsc.org.au/resources/1957-fsc-submission-rse-licence-condition-no-other-duty-fsrc-rec-3-1-and-asic-regulation-of-superannuation-fsrc-rec-3-8-6-3-6-4-6-5-1/file>

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About the Financial Services Council

The Financial Services Council (FSC) has over 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 almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.