



MEDIA RELEASE

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Korea Australia FTA significant for financial services

Details of the Korea Australia Free Trade Agreement (KAFTA) released by the government today show the agreement will provide significant opportunities for the export of financial services according to the Financial Services Council.

“With a large and ageing population with high average incomes, South Korea is one of the most important markets in Asia for Australia,” John Brogden, CEO of the FSC said.

“The Free Trade Agreement will open up significant opportunities for Australia to increase the cross-border flows between Australia and Korea.”

Under the KAFTA, Australian financial services providers will be able to supply specific financial services for the first time on a ‘cross-border’ basis. This will allow Australian suppliers to operate in Korea where they may not otherwise have the resources to open a full commercial presence.

Mr Brogden said that while South Korea is Australia’s third largest export market, financial services has made up a small proportion of that to date.

“Financial Services is Australia’s largest industry,” Mr Brogden said. “Initiatives like the South Korea Free Trade Agreement and the Murray Review will help deliver outcomes that facilitate Australian financial services exports to Asia and an export-oriented and globally competitive Australian financial services industry,” he said.

“This will be good for Australia and good for the economy.”

Mr Brogden also said Australian financial services providers will benefit from commitments which require Korea to allow Australian institutions to transfer data into and out of its territory.

“Trade in financial services requires the free movement of data across borders. This is vital for the Asia Region Funds Passport – which will harmonise funds management regulation across the region – to succeed,” he said.

The KAFTA will also provide more access to the transfer of personnel, skills and expertise between Australia and South Korea.

“We have a highly skilled financial services workforce which will benefit from a cross-cultural transfer of skills and knowledge,” Mr Brogden said.

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About the Financial Services Council

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 130 members who are responsible for investing more than \$2.2 trillion on behalf of 11 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. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.