

MEDIA RELEASE

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FSC forges closer ties with Korea to facilitate investment through the ARFP and KAFTA

The Financial Services Council has signed memoranda of understanding with the Korea Financial Investment Association and the Seoul Metropolitan Government to foster the trade and investment of financial services between Australia and Korea.

John Brogden, CEO of the FSC said: "As our fourth largest trading partner, Korea has a significant relationship with Australia."

"There is a tremendous opportunity to facilitate mutual cooperation between Australia and Korea to increase financial services trade and capital flows between our countries," Mr Brogden said.

"Mutual recognition between our countries has a mutual benefit as we progress the Asia Region Funds Passport and Korea Australia Free Trade Agreement."

"We have also undertaken to work together to increase investments in our respective markets and to facilitate mutual market recognition for the financial institutions we represent."

Mr Brogden said: "The signing of the Memorandum of Understanding with Seoul Metropolitan Government and the renewal of the FSC's MOU with KOFIA are important steps in deepening relationships between the two countries' financial services sectors."

The FSC hosted a delegation of Australian financial services industry CEOs in Seoul last week. Parliamentary Secretary to the Treasurer, The Hon Steven Ciobo MP joined the delegation which included representatives from the Financial Services Council, Colonial First State, Russell, Tyndall, La Trobe, APIR, Morningstar, Legg Mason, Vanguard, BT, Nikko AM and K&L Gates.

In a keynote speech to the delegation Mr Brogden said: "The FSC would welcome the opportunity to assist the Korean government in establishing an investment office in Australia."

"The Korean Government has established investment offices in the United States and the UK. These offices act to reduce the gap in information available to Korean investors directly through the two government operated funds."

He said EU and US fund managers have an advantage over Australian fund managers as there is no equivalent Korean investment office in Australia.

The establishment of a similar office in Australia would have a substantial benefit in providing for direct relationships between the two Korean Government operated funds and Australian fund managers and in turn facilitate the development of deeper currency hedging services and access to equities, bonds and other assets.

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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 125 members who are responsible for investing more than \$2.3 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 third 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.