

MEDIA RELEASE

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Japan to participate in Asia Region Funds Passport

Today's announcement that Japan, Korea, New Zealand, the Philippines, Thailand and Australia intend to participate in the Asia Region Funds Passport (ARFP) will significantly boost the trade of managed funds within economies in Asia.

Sally Loane, CEO of the Financial Services Council said: "The Asia Region Funds Passport will provide the regulatory framework and architecture for mutual recognition of fund operators and investment funds between participating countries."

"The inclusion of Japan is welcomed by the Australian financial services industry. It is a game changer for the passport and the Asian region."

"With \$4 trillion of funds under management Japan is one of Asia's largest funds sectors. Its participation will provide the passport with scale, efficiency, competition and choice."

"The passport will offer investment managers across the region a viable alternative to the European Union's regime which has a strong foothold in Asia."

"It will mean the economic benefits of cross-border financial services will remain within the Asian region, instead of Asian savings benefiting Europe."

"With 60 per cent of the world's population but only 12 per cent of the worldwide funds under management, Asia has an enormous potential to increase its funds management capabilities."

"Consumers across the Asian region will be able to benefit from a more diverse set of investment products offered by a range of managers, whilst still receiving high levels of regulatory protection and oversight," Ms Loane said

A study by AT Kearney and the Financial Services Council shows it is conceivable that the ARFP could exceed \$600 billion of funds under administration, around 11 per cent of the market, by 2030.

Ms Loane also said: "The Statement of Understanding signed today in the Philippines shows a strong commitment from participating economies to continue the excellent work which has been achieved to date."

"The FSC commends the work that has been undertaken by the APEC Ministers, government departments and regulators in progressing this essential regional architecture."

The vision of an Asian passport has been supported by many Australians - particularly Mark Johnson, Chris Bowen, Mathias Cormann and Josh Frydenberg who have championed this project.

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About the Financial Services Council

The Financial Services Council (FSC) has over 115 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The industry is responsible for investing more than \$2.6 trillion on behalf of 11.5 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.