



MEDIA RELEASE

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Asia Region Funds Passport signed today

The Financial Services Council (FSC) welcomes today's signing of the Asia Region Funds Passport (AFRP) Memorandum of Understanding (MoU).

Australia, Japan, Korea and New Zealand have created a framework for trade of managed funds in Asia.

Thailand and Singapore are expected to sign onto the passport with others including the Philippines expected to follow soon after.

The historic signing means investors in the Asian region will benefit from more choice and competition in managed funds and will lead to an increase in the export of Australia's world-leading financial services products and funds management expertise.

Sally Loane, FSC CEO, said: "We commend the progress with the Asia Region Funds Passport and fully support Australia's participation in it. The Passport is pivotal architecture for the Asian century and will lead to an increase in foreign sourced money managed by Australian fund managers.

"Research we commissioned from Deloitte Access Economics shows that an increase in foreign sourced money managed here can have a significant positive impact on the economy. We welcome the Government's efforts led by Assistant Treasurer Kelly O'Dwyer.

The Passport has bipartisan support. It was a key recommendation of the 2009 landmark Johnson Review commissioned by then Treasurer Chris Bowen.

"The Deloitte research showed that if the Passport is implemented with domestic reforms 10,000 new jobs will be created along with a boost to GDP of over \$4 billion.

"Services is the future of our economy and this is a much-needed building block."

The FSC also welcomed news that the Government intends to introduce a wider range of investment vehicles for the Passport in the 2016-17 Budget, which will enhance the ability of the Passport to create new business for Australia's financial services sector.

"We urge the Government to quickly implement a broader range of investment vehicles and also, importantly, to simplify and streamline Australia's uncompetitive withholding tax regime, which remains a barrier to investors from Asia, in particular, which have very competitive tax regimes.

"Implementing collective investment vehicles and fixing our uncompetitive withholding tax regime are essential reforms if the Passport is to deliver new economic growth."

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For further information contact the FSC on (02) 9299 3022 or via FSCMediaOffice@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 110 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.