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MEDIA RELEASE: Korean and Australian asset managers in discussion on cross border investment

Members of the Korean Financial Investment Association (KOFIA) today met with Australian asset managers for a roundtable discussion on opportunities arising from new cross border trade initiatives.

In partnership with the Financial Services Council (FSC), the Korean delegation is visiting Australia to review the current status of the Australian asset management market and explore potential investment opportunities, while seeking out channels to expand the network for future ventures into the market, in advance of the Asia Region Funds Passport scheme commencing at the end of 2017.

Australian asset managers took the visit as an opportunity to learn further about advances in Korea's market.

FSC Chair Geoff Lloyd said: "Korea is an exciting market for Australia. There are many opportunities for managers to work together on product design."

FSC CEO Sally Loane said: "The Asia Region Funds Passport is creating a buzz in the industry. People know the Passport will start soon and are beginning to prepare their businesses to capitalise on the new market access that will become available.

"We would like to see the government build on the Passport and progress regulator-to-regulator conversations regarding mutual recognition with Korea to implement the market access commitments made in the Korea-Australia Free Trade Agreement."

KOFIA Chairman Young-Key Hwang said: "Korean asset managers are excited about future ventures into the Australian market and hope to forge new investment partnerships with Australian financial institutions.

"We continue to deepen our knowledge of the Australian superannuation system and Australia's approach to infrastructure fund investments."

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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 more than \$2.7 trillion on behalf of 13 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 FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.

About the Korean Financial Investment Association

KOFIA is the sole self-regulatory organisation (SRO) of the Korean financial industry. The body approaches self-regulation as a service that should be responsive, flexible and market-friendly, rather than rigid and heavily supervised. To ensure its ability to effectively conduct its role and function as an SRO, KOFIA maintains the Self-Regulation Committee (SRC), which is responsible for KOFIA's overall self-regulation activities, such as making decisions for the establishment and revision of regulations, and applying penalties to members and executives.

About the Asia Region Funds Passport

The Asia Region Funds Passport aims to facilitate cross border distribution of managed fund products across the Asia region. It allows collective investment products offered in one Passport economy to be sold to investors in another economy. Currently, funds are manufactured, distributed and administered within each jurisdiction, with no transferability across borders. Participating economies have up to 18 months from 30 June 2016 to implement domestic arrangements. Activation of the Passport will occur as soon as any two participating economies implement the arrangements under the Memorandum of Cooperation.

About the Korea-Australia Free Trade Agreement

The Korea-Australia Free Trade Agreement (KAFTA) was signed on 8 April 2014 in Seoul by Australia's Minister for Trade and Investment Andrew Robb and his Korean counterpart, the Minister for Trade, Industry and Energy, Minister Yoon Sang-jick, and entered into force on 12 December 2014. KAFTA is delivering strong trade results across a broad range of sectors in Australia, and plays a vital role in growing our important economic and trade partnership with the Republic of Korea.