

3 May 2013

General Manager
Retail Investor Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: futureofadvice@treasury.gov.au

Submission by email

Dear Ms Sim,

Future of Financial Advice – The *Corporations Amendment Regulation 2013 (No. M)*.

The FSC thanks the Treasury for the opportunity to provide comments on the proposed FoFA regulations.

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 \$1.9 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.

With regards to proposed regulation 7.7A.40, we agree that the Future of Financial Advice reforms are only intended to apply to domestic retail clients and therefore welcome the clarity the regulation provides.

We note the additional exemptions from the Best Interest Duty provided by regulation 9.12.04 as stated to apply in the following ASIC Class Orders: CO 05/736; CO05/1122; CO 08/01 and CO 11/1227.

If you have any questions regarding the FSC's submission, please do not hesitate to contact me on (02) 9299 3022.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Cecilia Stornio', written in a cursive style.

CECILIA STORNILO
SENIOR POLICY MANAGER