

OFFICIAL

From: Edward Whiting [REDACTED]

Sent: Tuesday, 4 February 2020 11:28 AM

To: Stamping Fee Team <StampingFeeTeam@TREASURY.GOV.AU>

Subject: FOFA: LIC/LIT kickbacks

Dear Treasury,

I am 34 years old, married, with two children, living in Sydney's inner south-west. I was disappointed to read in the AFR that conflicts of interest are still legally permitted in the financial advice industry. That is, that LICs/LITs are permitted to pay commissions to financial advisers who recommend their products. This corrupts the whole financial advice industry by enabling conflicted advisers to discount the fees they charge, and make honest financial advisers uncompetitive, forcing them out of the industry. New customers of financial advisers cannot discern the conflicts of interest until too late. This is an artificially induced failure of the market which is caused by government favouritism towards LICs/LITs, and must be repealed before it does too much damage.

Personally I have avoided financial advisers because I don't trust them, and have opted to walk my own path in investing. I would like to be able to obtain unbiased and honest financial advice when I need to make big financial decisions, but I don't have the confidence in the integrity of the profession to do that today. If a democratic government truly represents the interests of the people, and there is strong public appetite post-Hayne to clean up the financial advice industry, then repealing these exemptions is essential.

Regards,

Edward Whiting