

4 February 2020
The Honourable Josh Frydenberg
695 Burke Road
Camberwell Victoria 3000

RE STAMPING FEE EXEMPTION

Dear Josh

By way of background, my name is Thabojan Rasiah. I have been working in financial services since 1999 and advising clients directly since 2006, most recently founding a wealth management firm in Melbourne. One of the reasons I started my own firm is that I felt that advice could be delivered in a way that was more in the interests of clients than what I'd seen for many years. Even with most of my experience in privately owned firms, I witnessed many practices that served the business ahead of the client. These practices were usually driven by a conflict of interest and an influence of the business on individual advisers.

The Royal Commission was a very important step forward for consumers and along with the higher education standards and banning of commissions, will serve the community much better. Existing carve-outs from the changes do not service consumers.

Specifically in relation to the loophole that exists for LIC and LIT stamping fees, this must be also ruled out. Again, over the years I have witnessed business pushing clients in to investment products that may not be in their best interests. What was known, however, was that the business would generate a significant amount of revenue for selling the products. Some have argued that they are not providing advice to the clients... however, I'm sure if you ask the clients involved they would tell you they expect they are only being recommended something if it is in their favour... not the company's. Stockbrokers are absolutely considered to be advisers to their clients, so the blatant conflicts that is stamping fees needs to be removed immediately. If the advice is valuable, then the client will pay for it.

I look forward to the continued push to move financial services to becoming a true profession.

Best Regards



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