



MEDIA RELEASE

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FSC WELCOMES NEW PROXY ADVICE REGULATIONS

The Financial Services Council (FSC) welcomes the Government's announcement to regulate proxy advice, and supports the Government's aim of ensuring that the provision of proxy advice to superannuation funds and fund managers is transparent and independent.

Acting CEO of the FSC, Blake Briggs, said: "We are pleased the Government has responded to industry feedback on the initial Treasury consultation paper and improved on the original proposals."

"Superannuation funds manage almost \$3.5 trillion on behalf of Australians, so it is critical that proxy voting arrangements are transparent so consumers can be confident that trustees and fund managers are exercising their voting power according to members' best financial interests."

"The Government's reforms align with existing industry best practice, reflected in the FSC's enforceable Standards for our members on proxy voting and asset stewardship."

The Government has also taken on board the industry's concerns that the proposed timeframes, which would have required proxy advisers to provide information to subject companies prior to clients, were unworkable.

"Aligning the dates that proxy advisers will be required to share information with their clients and the subject companies is a sensible compromise by the Government that will facilitate compliance for proxy advisers, superannuation funds and fund managers during the busy AGM season," Mr Briggs added.

The FSC also supports the provision of proxy advice being covered by an Australian Financial Services Licence (AFSL). This would mean that the provision of proxy advice would be subject to the general obligations under the Corporations Act and appropriate regulatory oversight.

- Ends

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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 almost \$3 trillion on behalf of more than 15.6 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.