



MEDIA STATEMENT

Thursday 3 March 2022

SUPERANNUATION INDUSTRY RESPONSE ON UKRAINE CRISIS

The Financial Services Council (FSC) supports the Federal Government's expectation that the superannuation industry divests Russian assets as part of broader global economic sanctions to address the humanitarian crisis in Ukraine.

The FSC will develop guidance for superannuation trustees and fund managers to meet the Government's expectations by assisting them to:

- implement all sanctions imposed on Russia by Australia;
- eliminate new investments in Russian assets by superannuation funds;
- review their portfolios with a view to winding down exposures to Russian assets not currently subject to divestment sanctions as market conditions permit; and
- have appropriate compliance resources to achieve these objectives.

Superannuation assets are invested through different structures and with different investment strategies, including directly held assets, external mandates, actively or passively managed investments and co-mingled investment arrangements with Australian and international investors.

The FSC will work with members to help them navigate how this guidance may be implemented in each of these circumstances.

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing \$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.