

MEDIA RELEASE

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New agreements will give Australian fund managers direct access to China

The China-Australia Free Trade Agreement (ChAFTA) along with measures to allow Australian fund managers direct access into China will significantly boost financial services trade between the two countries, the Financial Services Council said today.

Andrew Bragg, FSC Director of Policy said: "The China Australia FTA is an important step forward for achieving liberalised trade with China."

"The agreement builds the architecture Australia needs to export financial services in the Asian century," Mr Bragg said.

"Combined with the Renminbi Qualified Institutional Investor (RQFII) scheme, the Free Trade Agreement delivers a new level of access in the Chinese market for Australian fund managers."

"The agreements go further than any existing arrangements that China has with other countries which is a testament to the high level of expertise in Australia's funds management industry," Mr Bragg said.

"Today's announcements are a significant development in Australia's relationship with China and for the financial services industry.

"China presents an enormous opportunity for the Australian funds management industry, and the Government should be congratulated for negotiating this landmark agreement," Mr Bragg said.

The allocation of the RQFII quota will permit Australian domiciled fund managers to purchase equities and bonds directly on China's mainland securities exchanges in Shanghai and Shenzhen.

Mr Bragg also said: "Australia is only the fourth country in the Asian region to be granted an RQFII quota. There are only 12 countries with this recognition.

"This is a further significant step in liberalising the Chinese economy by allowing access to foreign managers."

"We congratulate the Australian and Chinese Governments and the respective central banks for achieving this significant outcome for financial services."

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**About the Financial Services Council**

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The Council has over 125 members who are responsible for investing more than \$2.3 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 third 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.