

## **MEDIA RELEASE**

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### **Consensus on grandfathering under FoFA a sensible outcome**

Support from the Parliament on grandfathering arrangements under the Future of Financial Advice (FoFA) reforms along with technical amendments is a sensible outcome the Financial Services Council said today.

Andrew Bragg, FSC director of policy said: "The bipartisan agreement provides certainty and stability for small businesses in the financial advice industry."

"It means that small financial advice practices will not lose value during when businesses are sold. It will also assist sustainability for advice businesses while they transition to new business models."

"This is good news for small businesses as they will not be subject to unfair, retrospective losses," Mr Bragg said.

"The agreement restores the prospective nature of the FoFA grandfathering rules."

"Structural reform of any industry must always be prospective. It is the hallmark of good policymaking."

"It also alleviates some of the cost and disruption caused by policy changes made without warning when businesses were operating within the law."

"The Government and Opposition are to be congratulated for reaching a sensible agreement on FoFA."

"The industry can now transition to the new FoFA laws with certainty," Mr Bragg said.

FoFA regulations released by the Parliament today include:

1. Grandfathering arrangements which allow financial advice businesses to be sold without losing considerable value
2. An exemption to ensure education and training is not treated as conflicted remuneration; and
3. Exemption of stamping fees from the FOFA regime.

**[ENDS]**

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### **About the Financial Services Council**

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 130 members who are responsible for investing more than \$2.2 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 fourth 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.