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MEDIA RELEASE: FSC welcomes launch of EU trade agreement negotiations

The Financial Services Council (FSC) supports the opening of negotiations with the Council of the European Union to create an Australia-EU free trade agreement.

A trade agreement will benefit the Australian financial services industry by lowering barriers to Australian firms' access to the world's second largest economy. The benefits to consumers will be significant.

FSC CEO Sally Loane said: "The EU is home to some of the largest and most sophisticated funds management markets in the world including Luxembourg, Ireland, France and Germany; but so far Australian investment managers have limited ability to expand into the region. Currently only 3.6 per cent of Australian funds under management are sourced from offshore.

"To ensure the benefits of this agreement are maximised for Australia, we need to ensure our tax and regulatory settings are competitive with Europe, otherwise we will see Australia lose out."

This agreement emphasises the need for Australia to put in place a long overdue Double Tax Agreement (DTA) with Luxembourg, which hosts the second largest funds management industry in the world. If a DTA with Luxembourg is not put in place, consumers of financial services are likely to miss out on substantial gains from any free trade agreement with the EU.

We urge the Government to take the necessary time to negotiate this important agreement. For financial services, the negotiation process requires additional work over and above market access. It is essential ASIC and Treasury are involved in the whole process and are talking to their counterparts in the EU.

The FSC acknowledges the consultative process the Government has taken so far which has greatly enhanced our most recent FTAs and looks forward to providing its support once more. We commend DFAT and the Government for the launch of this agreement, and all of the hard work that goes into negotiating FTAs for the benefit of Australia and its consumers.

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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 more than \$2.7 trillion on behalf of 13 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 FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.