



MEDIA RELEASE

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FSC WELCOMES ROYAL COMMISSION IMPLEMENTATION ROADMAP

The Financial Services Council (FSC) today welcomed the release of the Morrison Government's Royal Commission implementation roadmap, confirming the government's intent to act on all of the Commission's recommendations by the end of 2020.

FSC CEO Sally Loane said with the release of the roadmap, industry has certainty and can approach the task of implementation in a more targeted way, ensuring resources are allocated and directed at the Government's priorities.

"It is very important to move quickly to rebuild consumer confidence and enhance consumer outcomes, however any legislation to implement the recommendations should be treated with the same diligence and rigor as any other new bill to be brought before the Parliament," Ms Loane said.

"The industry is committed to embracing this program of reform through action, strengthening the trust and ties between financial services and the community.

"The FSC is committed to working with Government to ensure all recommendations are implemented in the timeframes."

The FSC looks forward to working on the implementation of the following recommendations:

- 2.4 – Ending grandfathered commissions for financial advisers;
- 2.7 – Reference checking and information sharing for financial advisers;
- 1.15 – Enforceable code provisions for industry codes of conduct;
- 4.7 – Application of unfair contract terms provisions to insurance contracts.

There are a number of recommendations due to be implemented that the FSC believes require further discussion with Government:

- 2.10 – A new disciplinary system for financial advisers;
- 7.1 – Compensation scheme of last resort.

Ms Loane said modernising the default superannuation system to end the proliferation of duplicate accounts by implementing a 'default once' framework has not been dealt with as part of this implementation roadmap.

"We look forward to the Government providing a response to the issue and timing for the reform as part of its response to the Productivity Commission's report into the efficiency of the super system."

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Contact: Esther Jago on 0421 102 944 or ejago@fsc.org.au

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 14.8 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.