



Senator the Hon Arthur Sinodinos AO
Assistant Treasurer

Media Release

FUTURE OF FINANCIAL ADVICE (FOFA) AMENDMENTS RELEASED FOR PUBLIC CONSULTATION

29 January 2014

The Government is progressing reforms to deliver affordable and accessible financial advice.

The Assistant Treasurer, Senator the Hon Arthur Sinodinos AO, today announced that the Government has released for public consultation draft regulations and legislation to enact its announced reforms to FOFA.

“Delivering on the Coalition's election commitment, the Government has today released draft legislation and regulations to reduce compliance costs and remove red tape on the financial services industry,” said Senator Sinodinos.

“The Government is supportive of the principles of FOFA, but the previous Government’s reforms are unwieldy, burdensome and unnecessarily complex. The proposed reforms will reduce the burden on industry and pressures on the cost of advice to consumers,” Senator Sinodinos stated.

Consistent with the Government’s announcement on 20 December 2013, key amendments include:

- removing the opt-in requirement;
- streamlining the annual fee disclosure requirements;
- amending the best interests duty to allow for scaled advice;
- exempting general advice from conflicted remuneration; and
- amending grandfathering to allow for adviser movements.

Draft legislative amendments and draft regulations giving effect to the Government’s announced changes are available at the FOFA website at: <http://futureofadvice.treasury.gov.au>.

In order to provide certainty for industry and to ensure that the measures have effect as soon as possible, the Government will implement time-sensitive measures through regulations to the extent legally possible, with amendments to be subsequently made in the primary legislation.

The interim regulations (i.e. those made redundant by the passing of the legislative amendments) will be repealed once the legislative amendments have been passed, while those amendments best addressed via regulations will remain in place.

The consultation process will be open for a period of three weeks, with submissions closing on 19 February 2014.

Following the consultation process, the Government anticipates that regulations will be made at the end of March 2014 and that a Bill will be introduced into Parliament in the 2014 autumn sitting period with passage scheduled for the winter sitting period.

Contact: Lisa Macnamara 0408 636 581