



MEDIA RELEASE

AFMA welcomes release of brokerage and stamping fees regulations

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Regulations have been released as part of the Future of Financial Advice (FOFA) reforms that exempt brokerage paid to representatives, and stamping fees connected to capital raisings, from the conflicted remuneration ban under FOFA. This follows on from the Government's acknowledgement that the broking industry was not the focus of the Ripoll Report or the recommendations of that inquiry that were subsequently adopted by the Government, and should not be unduly impacted by the reforms.

The Government has decided to restrict the brokerage carve-out to market participants – that is, financial services licensees who are participants on the ASX and Chi-X markets.

The regulations provide a limited carve out in the sense that they only relate to the conflicted remuneration ban. All of the other important FOFA obligations, including the best interests duty, will apply to licensees and advisers who are eligible for the relief provided under the regulations.

Market participants are already subject to a more stringent regulatory regime that provides a high level of consumer protection. This includes the market misconduct provisions of the Corporations Act, the Market Integrity Rules administered by ASIC and the surveillance of market trading activity by ASIC, as well as the substantial compliance and control systems that market participants have in place.

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Notes for Editors:

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.