



## MEDIA RELEASE

### Government Releases Draft FOFA Regulations for Stockbroking

15 June 2012

The Government has released draft regulations that aim to minimise the impact of the Future of Financial Advice (FOFA) ban on conflicted remuneration in relation to stockbroking activities.

As with many policy changes, the practical effects of FOFA on the industry, and in particular on remuneration structures going forward, will become apparent over time as broking firms implement the FOFA changes in their businesses. For this reason, AFMA is minded to recommend that the effect of regulations should be reviewed by the Government after they have operated for a period of time, so that any unanticipated consequences of the reforms can be addressed. A review after two years is likely to be an appropriate period.

In the meantime, AFMA will continue to work with Treasury to align the detail of the draft regulations with current industry practice.

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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.