

# Media Release



Investment & Financial Services Association Ltd

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## Ramsay Report - Disclosure of Fees & Charges

Professor Ian Ramsay's report to ASIC on options for disclosing fees and charges for investment products is very much welcomed by the Investment and Financial Services Association.

IFSA is the national, not-for-profit association representing the managed investments, superannuation and life insurance industries. IFSA has over 100 members who are responsible for investing approximately \$670 billion on behalf of over nine million Australians.

IFSA CEO, Richard Gilbert, commented that, 'Professor Ramsay has, as we have come to expect over the years, made a significant contribution by adding to the body of knowledge in yet another area of research. The report puts forward many innovative and constructive ideas for better disclosure, in relation to both PDS and periodic statements. Hopefully, the report shed some dispassionate light on the somewhat confused debate on whether Australian investors should have access to internationally recognised expense ratio data.

'While the OMC is no longer legislatively mandated in Australia it will, as an IFSA Standard (once aligned with the MER), continue to be used as an important component in all investment fund disclosure documents. It is most unfortunate that the debate has somewhat undermined such an important disclosure measure before the new regime had a chance to generate better disclosure. The MER/OMC methodology has been used in major OECD countries in disclosing cost structures to millions of investors. It was also one of the key features of the Australian SIS regime for public offer super funds during the period 1994-2002 '

Mr Gilbert also said that, 'IFSA is already well down the track in implementing two key Ramsay Report recommendations. It has always been our intention to align the MER (management expense ratio) with the OMC in order to bring super and non super investment disclosure into conformity and to extend the use of \$10,000 dollar example methodology to both. These recommendations make a lot of sense, and IFSA, which represents the vast bulk of issuers of retail super and non super offerings in Australia, reached the same conclusions quite independently.

'Professor Ramsay's report will, undoubtedly, present some challenges to industry in terms of evaluating current disclosure and improving it under FSR. It was always intended, by Government and industry alike, that FSR would drive better and more innovative disclosure', Mr Gilbert concluded.

For further information please contact Richard Gilbert on 0417 247 998.

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