

Financial Markets Reform

Cutting Red Tape Will Protect Investors and Improve Returns

The financial services industry is **over burdened with inefficient and costly rules**. These rules often confuse ordinary Australians who invest for their retirement.

They add unnecessary costs to business and can reduce returns to investors.

Labor's commitment to simplify disclosure should make it easier for ordinary investors.

Financial Markets Reform Program – Recommendations:

- First:** Harmonise the rules for product disclosure statements (PDS) with prospectuses in areas where it makes sense. This includes allowing *incorporation by reference* and *pre-PDS publicity*.
- Second:** Align *unit holder purchase plans* and *distribution reinvestment plans* with the rules which apply to companies.
- Third:** Eliminate or simplify the special rules that apply to real estate administered by the Foreign Investment Review Board.
- Fourth:** Streamline reporting for stapled entities.
- Fifth:** Support rational changes to International Financial Reporting Standards (IFRS).
- Sixth:** Secure an agreement that allows Australian reporting entities to lodge IFRS accounts with US regulators.
- Seventh:** Explore international portability/recognition of ASIC approved capital raising documents.
- Eighth:** Reform the way financial services regulation is developed, including a modern approach to Regulatory Impact Statements (see section 4.4).

The Voice of Leadership



•
•
•
•
•
•
•

Sources:

Unlisted Property Schemes - Improving disclosure for retail investors,
Property Council of Australia submission to the Australian Securities and
Investments Commission (November, 2008)