



Investment & Financial Services Association Ltd
ACN 080 744 163

31 October 2008

Ms Cathy Raper
Level 10,
Angel Place Office Tower
123 Pitt Street, Sydney
NSW 2000

Dear Ms Raper

Re: Trans-Pacific Partnership Agreement

Thank you for this opportunity to comment on the possible inclusion of Australia within the Trans-Pacific Partnership Agreement.

The Investment and Financial Services Association Limited (IFSA) is an Australian not-for-profit organisation which represents the retail and wholesale funds management, superannuation and life insurance industries. IFSA has over 145 members who are responsible for investing over \$1 trillion on behalf of more than ten million Australians.

IFSA believes Australia has a genuine opportunity to become a major exporter of financial services. Economic research commissioned by IFSA has shown that lifting finance and insurance exports as a share of Australian GDP from the current 2.9 per cent to 5 per cent would involve an eventual \$3.7 billion stimulus to the Australian economy in today's prices.

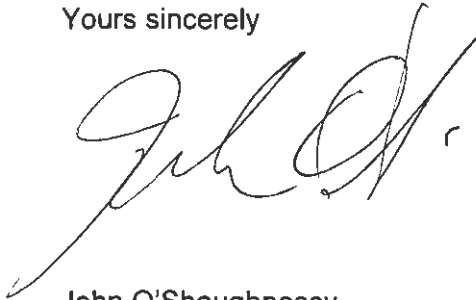
More specifically, addressing a number of common behind the border barriers will facilitate increased levels of funds management exports. These barriers include:

- foreign restrictions on capital/investment flows;
- foreign regulatory requirements limiting the operations of Australian fund managers in off-shore markets such as through foreign equity caps and other requirements for joint ventures;
- discriminatory tax settings for off-shore funds, discouraging investment by locals in off-shore managed funds; and
- non-recognition of Australia's financial services regulatory regime.

IFSA therefore supports Australia's participation in an expanded Trans-Pacific Partnership Agreement and strongly endorses the proposed inclusion of Investment and Financial Services Chapters within any updated agreement. These Chapters should be seen as an opportunity to improve access for Australian financial services providers through mitigating barriers such as those outline above.

IFSA looks forward to participating in further consultation rounds should the Government decide to join the Trans-Pacific Partnership Agreement

Yours sincerely

A handwritten signature in black ink, appearing to read 'John O'Shaughnessy', written in a cursive style.

John O'Shaughnessy
Deputy Chief Executive Officer