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AIST welcomes international perspective on controversial fee and cost disclosure requirements

The Australian Institute of Superannuation Trustees (AIST) has today welcomed the appointment by the Australian Securities and Investment Commission (ASIC) of Darren McShane as an external expert on fee and cost disclosure.

ASIC has appointed Mr McShane to review the Regulatory Guide 97 reforms and their impact, as well as liaise with industry and provide appropriate recommendations.

AIST CEO Eva Scheerlinck welcomed the appointment of an external expert with international experience in regulatory and policy and reiterated AIST's support for ASIC's review.

"Other jurisdictions have been grappling with the challenges of tackling fee and cost disclosure in financial products, so an international perspective from Mr McShane on what works and what doesn't will be very useful to the review," Ms Scheerlinck said.

Ms Scheerlinck said while AIST supported the objective of RG 97 to provide greater transparency and comparability of super funds, profit-to-member funds remained concerned that the current disclosure requirements were overly complex at member level, were not applied consistently across asset classes, and were not applied evenly across the industry. This made it difficult for consumers to compare apples with apples.

Ms Scheerlinck added that it was very pleasing that ASIC's announcement included reference to helping members through data which would assist system analysis.

"There are significant unresolved issues with the current fee and cost disclosure requirements that would benefit from a holistic review, which includes an examination of other policy and legislative settings affecting super funds, ASIC instruments and guidance, and consideration of international best practice," she said.

Ms Scheerlinck added that AIST would be pushing for more disclosure in the Choice sector so that members could be better protected.

Ms Scheerlinck said AIST looked forward to working with both ASIC and Mr McShane to review the disclosure requirements. It is anticipated that review will be concluded in the first half of 2018.

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AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.