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Dear Daniel

## **LEGISLATIVE INSTRUMENT: ADDITIONAL INTERIM MEASURES FOR DDO**

The Stockbrokers and Financial Advisers Association (SAFAA) is the professional body for the stockbroking and investment advice industry. Our members are Market Participants and Advisory firms that provide securities and investment advice, execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses. Practitioner Members are suitably qualified professionals who are employed in the securities and derivatives industry.

SAFAA welcomes the opportunity to provide feedback on the proposed legislative instrument on additional interim measures for the Design and Distribution Obligations (DDO) regime, in particular the provision that exempts distributors from the requirement to provide 'nil complaints' reports to issuers.

Stockbrokers and investment advice firms distribute products such as ETFs, TraCRs, warrants and mFunds from hundreds of issuers. Each of these issuers has multiple products, resulting in many hundreds of 'nil complaints' reports needing to be sent every quarter, as SAFAA members receive very few complaints about these products. Our members report that the work involved in setting up a system to communicate these reports to issuers was proving to be costly and burdensome. SAFAA has been advocating for a change to the DDO regime to exempt distributors from this requirement as it places a significant and unnecessary regulatory burden from which issuers would not gain any benefit.

SAFAA supports the common sense decision to cut unnecessary red tape. We consider that this will enable distributors and issuers to focus on complaints, rather than the fact that no complaints have been received in relation to particular products.

If you require additional information or wish to discuss this submission in greater detail please do not hesitate to contact SAFAA's policy manager, Michelle Huckel, at [michelle.huckel@stockbrokers.org.au](mailto:michelle.huckel@stockbrokers.org.au).

Kind regards



Judith Fox  
Chief Executive Officer