

Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
CANBERRA ACT 2600

6 September 2012

Dear Sir/Madam

MALAYSIA-AUSTRALIA FREE TRADE AGREEMENT (MAFTA)

The Insurance Council of Australia¹ (Insurance Council) is responding to the opportunity to make a submission to the review by the Joint Standing Committee on Treaties of the Malaysia-Australia the Free Trade Agreement (MAFTA).

Insurance Council members with international interests are vulnerable to host Governments changing the rules on the extent of foreign investment allowed in a joint venture. We therefore welcome the Malaysian commitment under MAFTA to guarantee the possibility of up to 70% foreign ownership of a direct insurance joint venture. Our members are also appreciative of the commitments obtained that will make it easier for them to do business in Malaysia, in particular the provisions to allow more executive and senior managers to work in Malaysia and stay for a longer duration.

The Insurance Council is grateful for the effort that the Government and the Department of Foreign Affairs and Trade put into the negotiation of MAFTA. We recognise the difficulties of achieving any trade liberalisation in the current unfavourable international environment.

If you would like to discuss this matter, please contact Mr John Anning, Insurance Council's General Manager Policy – Regulation Directorate at email: janning@insurancecouncil.com.au or tel: 02 9253 5121.

Yours sincerely



Robert Whelan
Executive Director & CEO

¹ The Insurance Council of Australia is the representative body of the general insurance industry in Australia. Our members represent more than 90 percent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system. December 2011 Australian Prudential Regulation Authority statistics show that the private sector insurance industry generates gross written premium of \$36.0 billion per annum and has total assets of \$115.6 billion. The industry employs approx 60,000 people and on average pays out about \$110 million in claims each working day.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).