



Media Release

24 September 2008

Financial Adviser Bill changes 'provide certainty for employers'

The Association promoting workplace superannuation in New Zealand says it is pleased the Government is providing more certainty for employers through the Financial Advisers Bill, passed under urgency on 24 September.

The new law, designed to toughen protection for investors and crack down on advisers, was only reported back to the House a fortnight earlier.

But the new chair of the Association of Superannuation Funds of New Zealand (ASFONZ), David Ireland of law firm Kensington Swan, says one aspect remained of concern.

"Our primary concern was for employers who make savings arrangements – including KiwiSaver - available to their employees through the workplace, and who discuss the terms of those arrangements with staff members.

The question is whether these people should be considered to be providing 'financial advice' when doing so.

"We have maintained throughout that this group should be excluded from the definition of a financial adviser – unless they are actually expressing an opinion or recommendation as to suitability of a particular financial product."

Following a meeting between ASFONZ representatives and the Minister, Hon Lianne Dalziel, changes were incorporated into the legislation before it was passed.

Mr Ireland says he is pleased some of the concerns of ASFONZ were taken on board.

"We wanted a pragmatic solution that will not discourage employers from being involved in workplace savings – but at the same time will not undermine the objectives of the legislation by encouraging employers to dabble in providing actual financial advice without the appropriate level of regulatory oversight.

"Some definition problems remain, but the changes introduced at the last minute are largely positive.

“They mean employers will have more certainty as to how far they can go in assisting employees with their workplace savings arrangements without needing to be registered as financial advisers,” says Mr Ireland.

For further information

David Ireland

Chairman

Association of Superannuation Funds of New Zealand

Ph: (021) 343-615