

4 June 2008

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## ASFONZ Submission on the Securities Act (Superannuation Schemes – Summary of Financial Statements) Exemption Notice

We wish to submit the attached in respect of the Securities Act (Superannuation Scheme – Summary of Financial Statements) Exemption Notice which is due to expire on 30 June 2008.

ASFONZ is an independent, national, not-for-profit membership organisation founded in 1969. Its current membership comprises around 100 major workplace superannuation schemes and around 50 organisations and individuals representing the various product and service providers for workplace superannuation.

The mission of ASFONZ is to promote workplace superannuation in New Zealand.

ASFONZ seeks to achieve that mission through:

- 1 **Advocacy** – being the recognised voice for all employers and trustees involved in workplace superannuation, through:
  - (a) advocating legislative and public policy initiatives beneficial to the industry;
  - (b) making submissions and commentary on existing legislative and public policy initiatives;
  - (c) issuing regular press releases and other public commentary on matters of wider concern or interest to members; and
  - (d) staying in regular contact with responsible Ministers, regulatory and industry bodies, the Retirement Commissioner and Government Departments to project, promote and advance members' interests.
- 2 **Education** – promoting trustee, employer and member education through dedicated training programmes, newsletters and special interest seminars.
- 3 **Networking** – providing trustees, employers and service providers involved in workplace superannuation with a regular forum for sharing ideas and information on industry matters.

Contact: Bruce Kerr, Executive Director, ASFONZ

Thank you for the opportunity to make this submission.

Yours sincerely



John Melville  
Chairman



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**ASFONZ**  
(The Association of Superannuation Funds of New Zealand)

**Submission to the**

**Securities Commission**

**on the**

**Securities Act**  
**(Superannuation Schemes – Summary of Financial**  
**Statements) Exemption Notice**

**June 2008**

## **The ASFONZ submission**

1. The Securities Act (Superannuation Schemes – Summary of Financial Statements) Exemption Notice 2006 (the “Notice”) is due to expire on 30 June 2008.
2. ASFONZ submits that the Securities Commission should renew the Notice and that no amendment is necessary. We offer the following comments in support of this submission.
3. The Statement of Reasons which appears at the end of the Notice as published in 2006 continues to be valid. Renewal of the Notice is required to exempt superannuation trustees from the quoted requirements of the Securities Regulations (the “Regulations”) and to allow the trustees to present requisite financial information in their prospectuses in accordance with generally accepted accounting principles.
4. Without the Notice, the Regulations would require financial statements included in a scheme prospectus to distinguish net gains or losses on investments as realised or unrealised. Generally accepted accounting principles for superannuation schemes do not provide for this distinction to comply with relevant reporting standards.
5. Without the Notice, schemes would have to incur additional costs in separating out realised and unrealised gains or losses in order to comply with the Regulations. We submit that these costs will outweigh the benefits of this additional disclosure.
6. ASFONZ does not believe that there is any reason to think that this situation will change in the near future. It is suggested that the Securities Commission consider renewal of the Notice for a longer period than two years as was the case in 2006.
7. We appreciate the opportunity to make these comments.

The End