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FUND MANAGEMENT INDUSTRY BODY CONFIDENT THAT NO ILLEGAL PRACTICES OCCURRING IN NZ

"The Investment Savings and Insurance Association (ISI) is not surprised to hear that the Securities Commission may be considering an investigation into the practices of fund managers and is confident no illegal actions have occurred", said ISI Chief Executive, Vance Arkininstall.

"Midway through last year it became known that some fund managers in the US had engaged in illegal "late trading and market timing" activities that advantaged some select investors ahead of others. It also became known that some US fund managers were failing to pass on large volume fee discounts in some cases. These activities are being investigated in the US, led by New York Attorney General Elliott Spitzer", said Mr Arkininstall.

"As a consequence of the nature of the operation of markets in NZ we are totally confident that these practices have not occurred in this country", said Mr Arkininstall.

"The Securities Commission has a role as regulator to ensure that investors have complete confidence in NZ securities markets. Therefore, it comes as no surprise that the Commission have foreshadowed they may make enquiries. We can fully understand that the Securities Commission may need to check", Vance Arkininstall said.

"Similar investigations are occurring in Australia by the Australian Regulator – ASIC", said Mr Arkininstall.

"The funds management industry stands ready to assist the Securities Commission. It is in the best interests of all that we remove any shadow of doubt that may result from unacceptable practices in other parts of the world", Mr Arkininstall said.

Ends.

For further information contact:
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