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Task Force Report finds support with Fund Managers

“Members of the Investment Savings and Insurance Association (“ISI”) support the direction and many of the proposals for improvement identified by the Capital Markets Development Task Force in its interim report”, said Vance Arkinstall, Chief Executive, ISI.

“New Zealand has long been characterised as maintaining a light-handed approach to regulation which is widely recognised as being out of step with other jurisdictions and needing to change if we are to achieve globally accepted standards”, Vance Arkinstall said.

“Managed funds and ISI members have an excellent record of compliance with New Zealand regulation. The issue is not that managed funds do not comply, but that the level of New Zealand regulation has not kept up with the pace of change in global markets. ISI agrees that effective regulation will create much needed confidence and trust on the part of investors and, as a result, we support many of the Task Force proposals.

Having allowed New Zealand regulation to drift behind international best practice, it will take a major effort for New Zealand to come up to speed. The work of the Task Force will be a platform for that improvement to occur.

A key area of the report concentrates on the importance of quality financial advice. It is frustrating that initial progress on financial adviser regulation was so slow in its development and introduction, but it is pleasing that momentum in this important area is now firmly established. This will provide a major step forward.

We accept the Task Force’s call for greater transparency in fee disclosure. ISI already has a project underway to introduce a self-regulation standard for improved disclosure and is currently researching overseas practices to find a suitable model on which to base that improved standard.”

For further information contact:
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