



# What's News?

Superannuation & Funds Management

4 August 2010

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## Latest news

### National

#### **MySuper paves the way for low-cost super for all Australians and bigger nest eggs**

1 August 2010

The Australian Institute of Superannuation Trustees (AIST) welcomed the Gillard Government's MySuper reforms which aim to ensure all working Australians have access to low-cost, commission-free default superannuation. [More...](#)

#### **ASIC forms market breaches panel**

30 July 2010

ASIC has established a Markets Disciplinary Panel that will deal with market breaches with Panel members selected from various companies in the financial services space. The role of the panel is to exercise ASIC's power to issue infringement notices and accept enforceable undertakings relating to breaches of the Market Integrity Rules, which take effect on 1 August, 2010. [More...](#)

#### **Late sting takes edge off super's bounce**

29 July 2010

Latest analysis by research company SuperRatings reveals a range of returns from 13.18 per cent to just 3.3 per cent for the year to June. More than 80 per cent of people have a balanced investment option which is set to return 9.8 per cent. [More...](#)

#### **Councils launch class action against S&P over lost millions**

28 July 2010

Local councils are launching a legal fight against the rating agency that stamped the highest possible credit rating on complex securities that unravelled during the global financial crisis. It is the first Australian class action to target a rating agency for its role in spreading complex structured debt products, which have left dozens of councils and charities out of pocket. [More...](#)

#### **ASFA calls for more SG entitlements**

27 July 2010

The Association of Superannuation Funds of Australia has called for the superannuation guarantee to be applied to salary continuance insurance benefit payments and maternity leave, in what it claims are measures that will help ensure some of the nation's most vulnerable workers are not missing out on superannuation entitlements. [More...](#)

#### **Basel ruling is banks' gain**

29 July 2010

Australia's banks stand to gain further flexibility on the application of rules that the Swiss-based world supervisory committee has drawn up with the aim of protecting the global system against financial shocks. The Australian Prudential Regulation Authority is considering whether to allow banks to hold assets other than top-rated corporate bonds and government securities. [More...](#)

#### **Trio Capital collapse: financial planner had been banned by ASIC**

29 July 2010

A financial planner tied up in the collapse of fund manager Trio Capital was banned from operating managed investment schemes six years ago after investigations into a failed investment project.

ASIC obtained court orders that permanently banned Mr Warne from operating a managed investment scheme. [More...](#)

#### **Standardised commissions for super canvassed**

29 July 2010

The possibility of standardised commissions has emerged as an option as major insurers have urged the Federal Government to act cautiously and consult widely on the Cooper Review's proposed ban on insurance commissions within superannuation. [More...](#)

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### ASIC moves on alleged Ponzi scheme

26 July 2010

The regulator has moved against what it believes is a possible Ponzi operation, which has affected more than 100 investors who have contributed more than \$16 million. ASIC said in an announcement that it was concerned that the defendants had been providing or involved in conducting a financial services business without the necessary Australian Financial Services Licence and without providing the required adequate disclosure to investors. [More...](#)

### Grey clouds hang over Australia's finance sector

26 July 2010

No explicit regulations prevent a financial services organisation from having its applications or customer data hosted by a third party data centre, regardless of international borders. APRA has published a series of guidelines to the management of risk in any outsourcing agreement, which renders the use of public clouds extremely difficult. [More...](#)

### ESI Super and SPEC Super confirm merger

26 July 2010

ESI Super and SPEC Super have agreed to merge and create a \$3.4 billion fund. The merged fund will adopt SPEC Super's administration model while ESI Super's funds management and financial services team will be used to manage assets. [More...](#)

### ATO nabs people on super evasion

23 July 2010

More than 360 people were convicted for tax and super offences between 1 April and 30 June this year, the Australian Taxation Office (ATO) has reported. All forms of tax evasion and intentional non-compliance, whether it was failing to lodge a tax return, defrauding the Commonwealth, or committing identity or refund fraud, were taken very seriously. [More...](#)

### ASIC cracks down on CFDs

22 July 2010

Brokers of derivatives such as contracts-for-difference should tell customers more about the risk they might collapse, the corporate regulator says. In a report released today, ASIC said it had reviewed 64 product disclosure statements and found many of them "deficient". [More...](#)

### FPA maintains stance on commission ban

22 July 2010

The Financial Planning Association chief executive said the industry body would pursue its strategy to move away from commission-based remuneration irrespective of the election result. [More...](#)

### Frozen fund investors get \$36m settlement

22 July 2010

New Zealand investors in two frozen funds by ANZ and ING (NZ) stand to benefit from a \$36 million (NZ\$45 million) settlement fund arranged by the regulator after both funds breached marketing material compliance rules. [More...](#)

### FPA defends CFP's compulsory membership obligation

22 July 2010

The Financial Planning Association has sent a clear signal that it sees no problem with the Certified Financial Planner designation remaining inextricably linked to membership of the organisation. [More...](#)

### Performance fees could have legal sting in the tail

22 July 2010

Financial advisers and superannuation fund trustees can be exposed to legal risk from disgruntled fund members and clients if investment returns fail to reflect the performance fees paid to fund managers. [More...](#)

### IFSA formally changes name to Financial Services Council

20 July 2010

Members of the Investment and Financial Services Association (IFSA) have formally agreed to a name change following a general meeting. [More...](#)

### ASIC seeks to enforce undertaking

20 July 2010

ASIC has started proceedings in the NSW Supreme Court against Empower Invest and Newcastle Palais Holdings for breaches of an enforceable undertaking. The court declared that the companies and their respective directors had operated a managed investment scheme in relation to a property development in Newcastle without a registration or an Australian financial services licence, raising \$769,500 in total from ten investors. [More...](#)

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### Foreign investment policy/ Treasurer

Source: Canberra: Foreign Investment Review Board, 2010; 14 pp

Foreign investment; Foreign investment in Australia; Real estate; Residential property;

Government regulation; Foreign Investment Review Board; Foreign Acquisitions and Takeovers Act 1975; United States; Legislation. [More...](#)

### Investor Update: Investment Management Industry in Australia / Austrade

23 July 2010

A comprehensive report has been published by Austrade's Financial Services division. [More...](#)

### Business risks facing mining and metals: Ernst & Young business risk report 2010

Source: Sydney: Ernst & Young, 2010; 25 pp

Mining industry; Metal products; Financial management; Capital investment; Risk management; Australia overseas comparisons. [More...](#)

### Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System: final report

Source: Canberra: Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System; 2010

Superannuation fund industry; Review into the Governance, Efficiency and Structure and Operation of Australia's Superannuation System; Management; Prudential supervision; Committees and inquiries; Superannuation Industry (Supervision) Act 1993; Corporations Act 2001. [More....](#)

## Practice Notes

### ASIC releases guidance on a director's duty to prevent insolvent trading

29 July 2010

ASIC has released regulatory guidance to assist directors to understand and comply with their duty under the Corporations Act to prevent insolvent trading. [More...](#)

### ASIC provides relief for parent entity financial statements

29 July 2010

ASIC class order, [CO 10/654], to allow companies, registered schemes and disclosing entities that present consolidated financial statements to also present parent entity financial statements. [More...](#)

### ASIC updates disclosure guidance for capital protected products and retail structured or derivative products

22 July 2010

ASIC has released a report outlining its key findings from a review of selected Product Disclosure Statements for capital protected products and other structured or derivative products marketed to retail investors. The report is the result of a program commenced by ASIC in January 2009 and has involved the review of 64 PDSs for adequacy of disclosure.

[Report 201](#)

[More...](#)

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### Legislation

#### Commonwealth

##### **ASIC Class Order [CO 10/654]**

29 July 2010

This Class Order allows companies, registered schemes and disclosing entities that present consolidated financial statements to include their own parent entity financial statements as part of their full year financial report, concise report or half-year report under Chapter 2M of the Corporations Act 2001. [More...](#)

##### **ASIC Class Order [CO 10/655]**

29 July 2010

This Class Order varies [CO 05/642], [CO 01/1455] and [CO 04/672] to allow a stapled security issuer to include the financial statements of the other stapled entities together in a single financial report and the financial report to exclude parent entity financial statements for those stapled entities that prepare consolidated financial statements. [More...](#)

##### **Superannuation Industry (Supervision) Amendment Regulations 2010 (No. 3)**

21 July 2010

Legislative Instrument - F2010L02058 Number: SLI 2010 No. 237

These Regulations amend the Superannuation Industry (Supervision) Regulations 1994 to halve the minimum payment amounts for account-based pensions for the 2010-11 financial year. [More...](#)

### Cases

##### **Superannuation Complaints Tribunal, determination**

The Tribunal affirmed the Trustee's decision that income protection benefits were not payable to the Complainant under the Trust Deed because he was engaged in a business on his own account. [More...](#)

##### **Superannuation Complaints Tribunal, determination**

The Tribunal determined to set aside the decision under review, to the extent that it relates to the conclusion that the Complainant was Permanently or Partially Disabled (PPD), and substituted its own decision that the Complainant did not, at the date of the Trustee's decision, satisfy the Trust Deed definition of PPD. [More...](#)

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