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New Zealand



Investment Law Team
Competition, Trade and Investment Branch
Ministry of Economic Development
PO Box 1473
Wellington
6 September 2011

Dear Sirs,

Re :Financial Markets Conduct Bill Exposure Draft

We would like to congratulate you on the progress to improve the regulation of NZ's securities markets which is implicit in the drafting of the Financial Markets Conduct Bill. We only have one concern with this progress.

Clause 113 and Schedule 3

We do not support the new definitions of solely NZ residency for non-Kiwisaver superannuation schemes. This new definition is contrary to the recommendations of the International Funds Services Development Group to create opportunities for bona fide NZ superannuation providers to service non-residents with their superannuation needs; and the subsequent recent passing into law of new legislation providing for the removal of overtaxation of non-residents in eligible NZ Foreign Investment PIEs.

We understand that this issue can be addressed in subsequent regulation workstreams. Therefore we would like the opportunity to work with MED as soon as possible to rectify this clause and contribute to the appropriate global growth of the funds management industry in NZ.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Craig Stobo'. The signature is written in a cursive style and is underlined with a single horizontal stroke.

Craig Stobo

Director

