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ASIC wants regular super reports

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AUSTRALIA'S financial regulator will force superannuation funds to report their investments every six months under new regulations being developed this year.

Head of the Australian Securities and Investments Commission (ASIC) Greg Medcraft plans to force fund managers to disclose the breakdown of their holdings in shares, property and other assets as part of a push to improve transparency in the sector.

ASIC's senior executive leader of corporate affairs Matthew Abbott said the body wanted a system that would provide a full snapshot of the \$1.3 trillion of investments under management every half year.

"The Cooper Review said trustees of large APRA-regulated funds should disclose their portfolio holdings every six months - and we support this position," Mr Abbott said

Results would be reported with a sufficient time lag, of two to three months, to ensure competitors could not use the information to manipulate the data to their advantage, he said.

"The imposition of the time lag should minimise the potential for market abuse as the information will be outdated on release," Mr Abbott said.

ASIC has been looking to beef up transparency in the fund sector in recent months after research firm Morningstar found Australian funds ranked 14 out of 16 Organisation for Economic Co-operation and Development (OECD) countries for disclosure.

Mr Medcraft has said he hopes to have the rules in place by the middle of the year, although any delays could see them brought in with the MySuper rules next year.

But some experts warn that overloading investors with information could actually scare off the 60 to 70 per cent of investors already deemed disengaged with their retirement fund.

"If you go from giving people a one-page super statement to something that looks like a telephone bill, really that will turn people off," FSC chief executive John Brogden said.

"Maybe 0.1 will be interested in the intricate detail but the other 99.9 per cent will bear the cost of it."

A spokesperson for one of Australia's major funds who asked not to be named said that such information could be a real problem for smaller funds if investors took it as a reason to move their savings on a regular basis.

"We do need to be careful we don't have people chopping and changing all the time as it could be detrimental to their long-term savings," said the person.

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