

**ASSOCIATION OF SUPERANNUATION FUNDS OF PNG INC.
MINUTES OF MEETING NO. 8 OF 2004.**

DATE : Friday 11th June 2009

TIME : 9: 30 am

VENUE : NASFUND Board Room

1. MEETING OPENED

The Chairman, Mr Chris Hagan appointed Mr.Rod Mitchell to chair this meeting in his absence. The Acting Chairman opened the meeting at 10.00 am.

1.1 Members Present:

:	Rod Mitchell	-	NASFUND
:	Ian Tarutia	-	NASFUND
:	Erastus Kamburi	-	NASFUND
:	Leon Buskens	-	POSF
:	Stephen Brown	-	Kina Investment & Superannuation Services
:	Mahadenan Shankar	-	Deloitte Touche Tohmatsu
:	Rabbie Kavanagh	-	PNG Maritime Super Fund
:	John Mahuk	-	PNG Maritime Super Fund

1.2 In Attendance:

:	Ellison Pidik	-	Central Bank
:	John Topal	-	Central Bank
:	Benek Beriso	-	Central Bank
:	Igimu Momo	-	Department of Treasury

1.3 Apologies:

:	Chris Hagan	-	AON
:	Mathew Awari	-	OTML Super Fund

2. SUSPENSION OF RULES.

By a unanimous decision the Acting Chairman suspended the Rules in relation to the right to attend and vote and appointment of proxies to allow the members attending to decide, reach consensus and vote on the issues.

3. MINUTES OF THE 7th MEETING OF 3rd DECEMBER 2003.

It was **resolved** that the Minutes of the 7th Meeting of 3rd December 2003 be accepted.

4. REVIEW OF ACTION SUMMARY

4.1 Media Plan & Strategy for Education Campaign – Central Bank

Deferred for discussion under item 9 of the Agenda.

4.2 Proposed Amendment to Superannuation Act – POSF

Submissions delivered to the members and the agenda was deferred to the next Meeting in July for discussion as agenda:-

- Item 2: Power to sue and recover defaults
- Item 3: Life and invalidity insurance
- Item 4: Procedure where no Nominee.

4.3 Brief on ASFA Course (Insider Trading) – Central Bank

It was **resolved** that:-

- The issue of Insider Trading be dealt with by the Central Bank as a Prudential Paper; and
- A Committee of the ASF consider and prepare a draft submission on the issue for discussion by the members of the ASF in its next meeting in July.
- The Committee comprises the following members:-
 - : Mahadenan Shankar - Deloitte Touche Tohmatsu
 - : Ellison Pidik - Central Bank
 - : Stephen Brown - Kina Investment & Superannuation Services
 - : Rabbie Kavanagh - PNG Maritime Super Fund
 - : Leon Buskens - POSF Limited
 - : Ian Tarutia - NASFUND Limited

4.4 Brief on ASFA Course (Reporting Formats) – Central Bank

It was **resolved** that the matter be deferred to and discussed in the next meeting.

4.5 Housing Committee

The paper on Prudential Standards for Housing Advance was presented.

It was **resolved** to defer it to the next meeting as agenda item 1 for discussion and final resolution.

4.6 Licensing Fees – Central Bank

Deferred for discussion under item 6 of the Agenda.

5. COMPLAINTS RESOLUTION

It was noted that except for a complaint by a POSF member in relation to withdrawals no serious complaints were received by the ASF.

6. PROPOSED AMENDMENTS – POSF

It was **resolved** to defer this agenda to the next Meeting in July as agenda:-

- Item 2: Power to sue and recover defaults
- Item 3: Life and invalidity insurance
- Item 4: Procedure where no Nominee.

7. INVESTMENT LOANS.

It was **resolved** that:-

- Section 72 needs to be amended to avoid confusion; and
- Central Bank and Treasury will attend to the proposed amendments.
- In the meantime loans would be allowed depending on the guidelines of each ASF.

8. CAPITAL REQUIREMENTS

It was **resolved** that:-

- The provision relating to capital requirement should be repealed; and
- ASF to write to the Central Bank requesting the Central Bank and Treasury to repeal the provision relating to the capital requirement of K250,000.00
- In the meantime Central Bank is unable to enforce this provision due to ambiguity in the Act.

9. SCHOOL FEES.

It was **resolved** that:-

- Defer this agenda to the next ASF Meeting in July as agenda item 5; and
- John Mahuk of PNG Maritime Super Fund to prepare the necessary discussion paper on the issue and circulate to the member before the meeting.

10. TAX ON SUPERANNUATION PAYOUTS.

It was **resolved** that:-

- Defer this agenda to the next ASF Meeting in July as agenda item 6; and
- John Mahuk of PNG Maritime Super Fund to prepare the necessary discussion paper on the issue and circulate to the member before the meeting.
- Rod Mitchell will prepare and present in the next Meeting a Paper on double taxation on interest.

11. EMPLOYEES TRANSFER BETWEEN ASF's.

The members noted the distinction between individual member transfer and group transfer and the requirements relating to those types of transfers between the ASF's and noted that there was no issue in relation to those requirements.

12. FEES PAYABLE TO CENTRAL BANK.

The members noted the budget estimates circulated by the Central Bank and the calculation of the levy and **resolved** that:-

- Fees for 2002 & 2003 will only be paid when invoiced by the Central Bank at the rate of 0.143%; and
- Fees shall only be paid when there is an invoice from the Central Bank; and
- Fees for 2004 will be determined at the end of 2004 when Central Bank itemizes individually all costs associated with running the Supervision Department.
- Fee structure will then be determined by the ASPNG.
- From the existing fee structure the Central Bank will take out K200,000 per annum and place in a trust account as an industry protection fund and those funds would be used to bring in technical assistance or accountants if an ASF failed to meet its responsibilities under the Act.
- The Central Bank to pay for an advertising campaign on employer/employee contribution rates 2005.

13. NEW CONTRIBUTION RATES.

It was **resolved** that:-

- The Central Bank shall take out a formal advertisement in the media to inform the members and the public that the new employee and employer contribution rates for the private sector workers will commence on 1st January 2005; and
- Igimu Momo of Treasury shall ensure that the gazettal of the Regulation to the Act is implemented to bring the Regulation into force and made to have a retrospective effect to 9th May 2002.

14. CLARIFICATION ON UNEMPLOYMENT PAYMENTS.

Central Bank and Treasury endorsed the interpretations of the ASF in regard to the partial withdrawal requirements and full withdrawal and **resolved** that:-

Where a member of an ASF is:-

- Not re-employed within three months of his termination; and
- Where the members contribution is more than K1,000; and
- If after a partial monthly withdrawal of the larger of K200 or 50% of the last monthly salary and as a result of such withdrawal the members total contribution falls under K1,000; then
- The member is entitled to advise the ASF to cease the partial monthly withdrawals and subsequently apply to withdraw the remaining balance of the contribution.
- Central Bank to seek amendments where necessary to confirm the above.

15. REMOVAL OF SUPERANNUATION EDUCATION FROM CENTRAL BANK TO ASFPNG.

It was **resolved** that:-

- The responsibility for educating superannuation members be transferred back to the ASFPNG; and
- The ASFPNG would advise the Central Bank on whether joint advertising was required

16. LEGISLATIVE AMENDMENTS

The members noted the overview of the amendments to the Regulation as presented by Treasury.

It was **resolved** that:

- The Central Bank circulate to the ASFPNG members any amendments to the Superannuation Act and the Regulation and present similar overview of those amendments; and
- In all instances a copy would be provided to the ASFPNG Public Officer/ Secretary to be posted on the ASFPNG website.

17. CRIME AND MONEY LAUNDERING BILL.

It was **resolved** that Chris Hagan would write to the Central Bank on behalf of the ASFPNG in relation to that proposed Bill requesting that Superannuation be excluded.

18. AMENDMENT TO ASFPNG CONSTITUTION.

By a special resolution it was unanimously **resolved** to amend Section 21 of the ASFPNG Constitution by including after Subsection (3) of Section 21 a new Subsection as follows:-

“(4) "An irregularity in the notice of the Meeting or a failure to give notice is waived if all the members entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all members entitled to receive notice of the meeting agree to the waiver."

19. REVIEW OF THE ACT.

It was **resolved** that the ASFPNG will write to the Central Bank and Treasury Department requesting the Central Bank to revive the Task Force to review the Act.

20. MEDIA PLAN & STRATEGY FOR EDUCATION CAMPAIGN.

It was **resolved** that:-

- The responsibility for member education and awareness campaign had already been transferred to the ASFPNG and therefore the ASFPNG and individual Funds should now take up their own education and awareness campaign.
- An employee is required either on part-time or full-time basis to discharge this responsibilities.

- ASFPNG to review the draft matrix that was previously formulated by the ASFPNG Committee on Education at the next Meeting as agenda item 7.

21. DATE OF NEXT MEETING.

It was **resolved** that the next ASFPNG Meeting shall be convened on Friday 23rd July 2004 at 9.30 am in the NASFUND Board Room.

22. ANY OTHER BUSINESS.

No other business

23. CLOSE OF MEETING.

There been no further matters the Acting Chairman closed the meeting at 12: 15 pm.

**SIGNED AS A TRUE AND CORRECT
COPY OF THE MINUTES.**

.....
Rod Mitchell
Acting Chairman

.....
Erastus Kamburi
Minute Secretary