



## **PROFESSIONAL STANDARD 404: VALUATION OF SUPERANNUATION FUND ASSETS**

### **EXPLANATORY MEMORANDUM**

**December 2010**

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#### **Introduction**

On 1 March 2006, the Institute issued a Policy for Drafting Professional Standards (the "Policy") which was subsequently amended in June 2006. The Policy is designed to ensure that all Professional Standards use consistent and objective terminology such that mandatory duties and requirements for members are clearly defined and understood.

As a result, all existing Professional Standards and Guidance Notes are to be re-drafted in accordance with the Policy as either a Professional Standard or Practice Guideline. The Superannuation and Employee Benefits Practice Committee ("SEBPC") subsequently developed Professional Standard 404 ("PS 404") to replace Guidance Note 463 (Valuation of Superannuation Fund Assets – November 1999) ("GN 463") in accordance with the Policy. PS 404 became effective on 17 April 2009.

Since then, a new Code of Professional Conduct ("Code") was approved in November 2009 and became effective on 1 January 2010. As a result, some references to Code definitions in PS 404 needed to be updated.

#### **Changes from previous version of PS 404**

There are no significant changes from the previous version of PS 404. The replacement version of PS 404 simply removes references to terms that are no longer defined in the Code, such as "Actuarial Advice", "Actuarial Report" and "Actuary". References to applicable legislation have also been updated, including any modifications or substitutions of that legislation and any subordinate legislation.

#### **Commencement**

Professional Standard 404 commences on 1 January 2011.