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| **FEEDBACK TEMPLATE** RETAIL DISTRIBUTION REVIEW:DISCUSSION DOCUMENT ON INVESTMENT RELATED MATTERS | | |
| **DATE** | | Complete |
| **NAME OF ORGANISATION** | | Complete |
| **TYPE OF ORGANISATION** | | Complete |
| **CONTACT DETAILS** | | Complete |
| ***Question for stakeholder input:***  *Q1. Do you agree with our above observations regarding the investment landscape? If not, where do you disagree? Are there any additional considerations you believe we have overlooked that are necessary to inform our regulatory proposals?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q2. Please let us know whether you agree or disagree with our categorisation of investment management activities into the four broad groupings set out above and our description of each type of activity? If you disagree, where do you disagree and how would you group or describe the activities differently? Suggestions on the appropriate terminology to describe each category of activity will also be welcome.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q3. Do you agree in principle that the current criteria for a FAIS Category II licence are overly broad and that it is necessary for the regulatory framework to distinguish more clearly between different types of discretionary investment mandate activities? If you disagree, please explain why.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q4. Please provide your views on the correctness, feasibility and likely effectiveness of each of the possible approaches to discretionary investment mandate categorisation (Measures 1 to 5) set out above. Please let us know if you have any alternative categorisation suggestions.*  *In particular, please provide your views on –*  *(i) whether or not different, more rigorous fit and proper standards (including competency financial soundness and operational ability requirements)should apply to investment managers (to be defined) as compared to model portfolio providers (MPPs) and why you hold this view;*  *(ii) if you agree that different standards should be set for investment managers and MPPs, which standards should apply to providers of a portfolio comprising both existing pooled investments and directly held non-pooled assets?;*  *(iii) if you agree that different standards should be set for investment managers and MPPs, please provide suggestions on what the key differences between these standards should be; and*  *(iv) regardless whether you believe that investment managers and MPPs should be subject to different fit and proper standards, whether the current FAIS fit and proper standards for Category II FSP’s are adequate and appropriate for investment managers, MPPs, or both or whether you believe any amendments would be required in light of the measures proposed in this paper.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q5. Do you agree that so-called “mandates for convenience” should continue to be permissible? If not, why not? If yes, please provide your views on the proposed provisos set out under Measure 6. Do you agree that this activity is ancillary to advice provided in relation to the investments concerned?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q6. Which of option (a) or (b) under Measure 7 above do you believe would be most appropriate to provide for the possibility of an investment adviser acting as the PSA of an investment manager or LISP? If you do not believe that either option is appropriate or necessary, please explain why and let us know if you have any alternative suggestions. In particular, please indicate whether or not you believe it is necessary to provide for the situation where an investment adviser could act as the PSA of a LISP and why you hold this view.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q7. Would your answer to Question 5 above in relation to allowing an investment manager to appoint a PSA be the same in relation to allowing an MPP to appoint a PSA as discussed under Measure 8? If not, why not?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q8. Do you agree that all of the distribution model options described in Measure 9 should be available to all investment managers and MPPs and do you agree with the descriptions of each model? If not, why not?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q9. Please provide your views on the correctness, feasibility and likely effectiveness of each of the possible provisions set out under Measure 10 to regulate CIS white label arrangements. Please let us know if you have any alternative suggestions.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q10. Do you agree that a CIS management company should be able to appoint a PSA to provide advice on its portfolios? If not, why not? If yes, do you agree with the above description of the implications of such an arrangement?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q11. Which of options (a) to (c) under Measure 12 above do you believe would be most appropriate to deal with the implications for PSAs of using a LISP platform outside their group? If you do not believe that any of these options is appropriate, please explain why and let us know if you have any alternative suggestions.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q12. Do you agree that the details under Measure 13 correctly describe the adviser categorisation implications of acting as a third party co-branding investment manager as well as holding another type of discretionary mandate? If not, why not? Are there any additional implications we have not identified that might influence the adviser categorisation in these business models?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q13. Do you agree that an appropriate due diligence review should be required in all of the scenarios set out under Measure 14? Are there additional arrangements requiring due diligence that we have not mentioned? Do you have any suggestions as to what such due diligence requirements should comprise?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q14. Do you support the use of ASISA’s EAC cost disclosure mechanism as proposed and do you have any suggestions as to how it could be applied or adapted to support the desired RDR outcomes regarding cost transparency in the investments sector?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q15. Please provide your views on the questions raised under Measure 16 in relation to mitigating the risks of duplication of charges. Are there any other risks of inappropriate duplication of fees and charges in the investments sector that we should be considering?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q16. Please provide your views on each of the possible regulatory responses noted under Measure 17 in relation to mitigating the risks of conflicted advice. Are there any other risks of conflicted advice in the investment sector that we should be considering?* | | |
| **Issue/ Comment/ Recommendation** | | |
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| ***Question for stakeholder input:***  *Q17. Please provide your views on the correctness, feasibility and likely effectiveness of each of the possible provisions set out under Measure 18 in relation to facilitation and monitoring of fees and charges. In particular, do you agree that the provisions should extend beyond advice fees, and if so in what circumstances? Please let us know if you have any alternative suggestions.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| (please add more rows if required ) | | |
| ***Question for stakeholder input:***  *Q18. Please provide your views on the appropriate remuneration model for automated advice services.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| ***Question for stakeholder input:***  *Q19. Please provide your views on the appropriate remuneration model for non-advised investment product sales. Inputs on the current extent and structure of such models will be appreciated.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| ***Question for stakeholder input:***  *Q20. Please provide your views on how best to mitigate the risk of conflicted exercise of discretion in the situation discussed under Measure 21. Inputs on the current extent of such models – i.e. where investment management fees are charged by both the model portfolio provider and the underlying investment manager/s - will be appreciated.* | | |
| **Issue/ Comment/ Recommendation** | | |
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| ***Question for stakeholder input:***  *Any additional or general comments on the Discussion Document.* | | |
| **Section of the Discussion Document** | **Issue/ Comment/ Recommendation** | |
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