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| **ANNEXURE A**  **FEEDBACK TEMPLATE** RETAIL DISTRIBUTION REVIEW (RDR):SECOND DISCUSSION DOCUMENT ON INVESTMENT RELATED MATTERS | |
| **DATE** | Complete |
| **NAME OF ORGANISATION** | Complete |
| **TYPE OF ORGANISATION** | Complete |
| **CONTACT DETAILS** | Complete |
| ***Question for stakeholder input:***  *Q1. Please provide your views on the proposed elements to be covered by a definition of “discretionary investment managements”. Any suggestions for a draft definition are welcome.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q2 Do you have any suggestions on how best to mitigate the risk of regulatory arbitrage between advice and discretionary investment management? In particular, do you agree that the practice of “copy trading” presents such a risk and do you have any suggestions as to an appropriate regulatory treatment of this practice?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q3. Please provide your views on the proposal to split the activity of discretionary investment management into three sub-activities of asset management, multi-management and alternative investment management.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q4. Do you have any suggestions for appropriate definitions of each of these sub-activities?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q5. Please provide your views on appropriate fit and proper requirements for each of the proposed sub-activities (asset management; multi-management; alternative investment management) in relation to:*  *(a) Operational requirements*  *(b) Minimum qualifications*  *(c) Minimum experience*  *(d) Class of business training*  *(e) Product specific training*  *(f) Continuous professional development.*  *Please indicate in what respects (if at all) the above requirements should differ for each sub-activity and to what extent they should differ from the existing competency requirements for FAIS Category II or IIA FSPs.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q6. Which competency requirements, if any, do you believe should apply equally to all three sub-activities?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q7. Do you believe there is currently scope for arbitrage between the fit and proper requirements for different licence categories in the investments sector and, if so, do you have any suggestions on how this could be resolved?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q8. Do you agree that the dispensation for “mandates for convenience” should be restricted to retail investors? If you believe it should not be so restricted, please provide examples of where such a mandate would be appropriate in the non-retail space.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q9. Please provide suggestions on an appropriate term to denote a “mandate for convenience”.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q10. Please describe the specific types of transactions you believe are appropriate to be authorised under a “mandate for convenience”, recognising the need to avoid inappropriate arbitrage between these mandates and discretionary investment management mandates.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q11. Do you support the proposal for a prescribed standard template with a “menu” of pre-defined permissible transactions for these “mandates for convenience”?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q12. Do you foresee any unintended consequences of the FSCA’s view that “mandates for convenience” should not be extended to include switches between similar CIS portfolios?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q13. Do you foresee any unintended consequences of imposing no additional fit and proper competency requirements for holding a “mandate for convenience” over and above the applicable requirements for a FAIS Category I (advice) licence?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q14. Please provide suggestions for appropriate governance, record keeping, disclosure and / or regulatory reporting requirements to be imposed on the holder of a “mandate for convenience”.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q15. Do you agree that CIS management companies and LISP platforms should be required to verify that a “mandate for convenience” is in place before acting on the instruction of such a mandate holder? If not, why not?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q16. Please provide your views on the FSCA’s proposed approach to allowing investment managers to appoint “tied” advisers.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q17. Please provide your views on the FSCA’s proposed approach to PSA’s of CIS management companies.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q18. Please provide your views on the FSCA’s proposed approach to the use of LISPs by tied advisers where there is no LISP platform in the group* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q19. Please let us know whether you prefer option (1) or (2) above in respect of the use of LISPs by tied advisers where there is a LISP platform in the group. Please explain why you prefer this option.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q20. Please describe any business models you are aware of where a LISP platform’s role goes beyond purely administrative functions and could potentially influence investment management decisions or investment advice.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q21. Please describe any business models you are aware of where it would be necessary or appropriate for a LISP platform to be able to appoint its own tied advisers.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q22. Please provide your views on the FSCA’s proposed approach to when advice in relation to 3rd party co-branded portfolios may be described as “independent”.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q23. Please provide your views on the nature, prevalence and potential conduct risks of so-called “co-named broker funds” that are not operated as formal 3rd party co-branded CIS portfolios.* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q24. Do you agree that a LISP platform should be required to ensure that no branded portfolio is allowed on its platform unless it has verified that the entity concerned is licensed as an investment manager and does in fact hold and act on discretionary mandates in relation to the branded solution? If not, why not?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q25. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding appropriate levels of due diligence between different entities in the investments value chain?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q26. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding our updated position on cost disclosure?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q27. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding our updated position on mitigating the risk of duplication of charges?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q28. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding our updated position on mitigating the risk of duplication of charges?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q29. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding facilitation and monitoring of fees?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q30. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding our updated position on remuneration for automated advice?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q31. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding remuneration for non-advice distribution?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q32. Pending further consultation, do you have any specific views you wish to share with the FSCA at this stage regarding mitigating the risk of conflicted exercise of discretionary mandates?* | |
| **Issue/ Comment/ Recommendation** | |
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| ***Question for stakeholder input:***  *Q33. Please provide any further general comments you may have on the Discussion Document.* | |
| **Issue/ Comment/ Recommendation** | |
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