



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

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# Investment Forum

## Executive Summary

Meeting held on 24<sup>th</sup> November 2010 at



**The Chartered Institute of Arbitrators (CI Arb), 12 Bloomsbury Square, London, WC1A 2LP**

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# Competition Act reminder

- The role of this Forum is to facilitate business efficiencies in the personal finance sector for the benefit of advisers, providers and most importantly consumers.
- All present are reminded of the requirements of the Competition Act and members' attention is drawn to the guidelines, that are available.
- In essence, all Members shall refrain from any conduct or participation in any activities that could lead to a restriction of competition between the Members or any third party who is a competitor of a Member or Product Provider or that could in any other way lead to an infringement of UK and/or EC rules on competition law.
- Output of the meeting must be complete, we will pause before each new section to agree and summarise the issues covered.
- Role of the chairman is to steer the group clear of conversations that may impinge on the act.
- If the chairman fails to do this, delegates should point this out in the meeting and if the situation does not change should leave the meeting.

# Agenda

- This pack contains the slides presented at the Investment Forum meeting held on 24<sup>th</sup> November 2010.
- Slides with a  represent the meeting presentation; slides with a  represent additional views and conclusions from the meeting. Members' comments, additional text and actions are shown in purple text.

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# Attendees and apologies

## Adviser Firm Attendees

Honister Capital

Positive Solutions

Clairville York

Origen

National Australia Bank

## Platforms, Providers & Fund Managers

Artemis

Funds Network

Aviva Wrap

IMA

Aviva

Prudential

Axa/Elevate

## F&TRC

Poppy Achilles & Helen Clark

## Apologies

Zurich

Euroclear

Lighthouse Group

Scottish Widows

threesixty services

2plan

Skipton

Canada Life

Invesco Perpetual

AEGON Scottish Equitable

AIFA

Scottish Life

Cofunds

True Potential

Standard Life

Sesame Bankhall

Met Life

IFDS

Royal Bank of Scotland

# Executive summary

<p><b>Adviser Remuneration</b></p>	<ul style="list-style-type: none"> <li>• Origo has a working group looking at the rules and are updating the existing standards for Quotes, New Business, Tracking and Commission so that these are in place early next year. Advisers at the meeting agreed to provide feedback to the Origo working group if they require it, process to be facilitated by F&amp;TRC.</li> <li>• The adviser firms present will want to see Providers and Platforms take a consistent approach to adviser charging but appreciate the challenges this will bring.</li> <li>• Adviser firms want to/need to understand the problems providers, platforms and fund management groups face in delivering adviser charging i.e. What can they support/what can't they support to help them with their own adviser charging development plans.</li> </ul>	<p><b>Slides 12 - 14</b></p>
<p><b>Adviser defined investment strategies and STP</b></p>	<ul style="list-style-type: none"> <li>• Advisers at the meeting each outlined their investment approach and how they envisioned the process to work for their firms, this also covered - What does Straight Through Processing (STP) mean to adviser firms? And what do advisers need to support their STP requirements? <i>See main document for details.</i></li> <li>• The Providers and Platforms are seen as transactional systems but integration is required to provide true STP i.e. enter the data once only and re-use throughout the sales and transactional processes.</li> <li>• Platforms stated that at the moment not all the standards exist to support STP therefore making integrations a bespoke build each time.</li> <li>• There may be a requirement to develop a consistent approach for the delivery of product and fund data to integration partners (CMS vendors, portals, tool vendors etc) as platforms are receiving an increasing number of requests for this information. This was identified as an area to progress with the e-Services Group.</li> <li>• Advisers will navigate towards those platforms and product providers who can meet their business requirements and will only deal these firms.</li> </ul>	<p><b>Slides 21 - 22</b></p>

# Objectives

## Objectives

- |   |                         |
|---|-------------------------|
| • Establish whether any other advisers would like to submit information outlining issues relating to e-commissions.   | <b>Session deferred</b> |
| • Hold high level discussion on the subject of adviser remuneration to consider what information parties need from each other to progress their own developments.                               | ✓                       |
| • Document the importance that advisers attach to STP for investment business i.e. Business critical or nice to have and establish what steps are needed to progress developments in this area. | ✓                       |



# Actions

IM

Date of meeting	No.	Task name	Resource name	Deadline	Comments
16/09/2010	55	F&TRC to verify views that STP can be delivered using a process that will need to embrace unique fund identifiers for every fund including mirror funds and the view that this would need to be implemented throughout the life cycle of the investment.	F&TRC	19/11/2010	Complete – see pages 14
16/09/2010	56	F&TRC to speak to distributor firms and document specific issues with EDI they experience plus, confirm which adviser businesses have deployed OCR for the purpose of scanning paper commission statements.	F&TRC	19/11/2010	Underway. See update on pages 7 – 9. F&TRC are continuing to document issues from a wider group of adviser businesses and will present fuller findings prior to the next meeting
16/09/2010	57	F&TRC to facilitate meetings with the smaller Life Companies/International arms of L&P providers and Fund Managers that have been identified by advisers as not providing e-commission services to identify how this requirement could be progressed.	F&TRC	19/11/2010	Awaiting dates from True Potential so meeting arrangements can start. F&TRC will then contact other adviser firms, IFDS and fund management groups to progress the issue of e-commissions. Addressing the issue with Life Co's will follow.
16/09/2010	58	F&TRC to ensure that the relevant questions concerning transparency (based upon Good Practice Guidelines published by Forum on the subject of financial planning tools) are added to relevant surveys so that platforms and providers can be benchmarked.	F&TRC	NA	Underway
16/09/2010	59	F&TRC to look back through surveys to identify who is undertaking New Business Tracking and report back in November.	F&TRC	19/11/2010	See page 11
16/09/2010	60	F&TRC to include questions in the next Wrap survey asking which platforms can support platform to platform re-registration in a timely manner, if the process is automated and if not, the turnaround time for paper based solutions.	F&TRC	Q1 2011	Report back 2011.

# New actions

Date of meeting	No.	Task name	Resource name	Deadline	Comments
24/11/10	80	Prudential to submit a list of questions to F&TRC (on behalf of Origo working party) for adviser feedback to support their work to update Origo standards in preparation for RDR. The IMA and Artemis are also invited to do the same.	24/12/10	Prudential	F&TRC to collate the questions and circulate to the adviser firms for feedback and views prior to the next Investment Forum meeting.
24/11/10	81	F&TRC to contact Funds Network to develop a problem definition document concerning the need to develop a consistent approach for the delivery of product and fund data to integration partners (CMS vendors, portals, tool vendors etc).	17/12/10	Funds Network	
24/11/10	82	F&TRC to circulate the problem definition document regarding the delivery of product and fund data to integration partners, to the wider provider and platform community to assess the scale of issue.	22/12/10	F&TRC	
24/11/10	83	Raise the issue of developing a consistent approach for the delivery of product and fund data at the e-Services Forum meeting in January 2011.	27/01/11	F&TRC	
24/11/10	83	F&TRC to redistribute the projection rates working group recommendations, concerning projected growth rates to the group.	17/12/10	F&TRC	
24/11/10	84	F&TRC to speak to Aviva about the impact of RU64 regulatory update on growth rates.	20/12/10	F&TRC	

# 2011 dates

- 2011 Investment Forum Meeting dates (in red)

- 17<sup>th</sup> February
- 26<sup>th</sup> May
- 8<sup>th</sup> September
- 30<sup>th</sup> November

- Meeting venue for all dates will be:

Chartered Institute of Arbitrators, 12 Bloomsbury Square, London WC1A 2LP.

## Adviser Forum Meeting Calendar 2011

Key	Meeting type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Fund Mgt. Groups
	Corporate Forum	Adviser Firms, Product Providers, Employee Benefit Providers
	Protection Forum	Distributors, Product Providers, Re-insurers
	E-Services Forum	Technology vendors, Product Providers, Platforms

## 2011

January 11						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 11						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 11						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 11						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 11						
M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 11						
M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July 11						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August 11						
M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 11						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October 11						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 11						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 11						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	