



Adviser Guide to re-registration: *Quick overview*

- The FSA has stated that consumers should be able to transfer assets into and out of platforms without facing “unreasonable barriers” however, they also recognise that this is not always a straightforward task.
- In the current environment it can take anywhere between 6 – 20 weeks to complete a re-registration exercise.
- Consequently, advisers have a regulatory obligation to understand what, if any, constraints may affect a client from removing their assets off a platform prior to any recommendation being made and as part of their ongoing requirements to review platforms.

• Regulation: FSA comments:

- *“Suitability is not just something to consider when advising on a particular investment. You must also consider the suitability of the platform itself.” “What procedures do you have in place for reviewing your choice of platform provider(s)?”*
 - For fuller details see the full FSA factsheet at:
http://www.fsa.gov.uk/pages/Doing/small_firms/advisers/pdf/factsheet_wraps.pdf
- “If an intermediary recommends a platform service that has a material constraint, then this should be disclosed very clearly to the customer at the outset”.
 - For fuller details see the full FSA paper “Platforms and more principles-based regulation” at:
http://www.fsa.gov.uk/pages/Library/Policy/DP/2008/fs08_01.shtml

- The platform market is still quite embryonic thus some of the legal requirements and technology infrastructure required to support these processes are being developed.

• Legal:

- There is a requirement to change the Law of Property Act 1925 to allow individuals to transfer their assets without the requirement to capture a wet signature.
- These changes are currently going through the relevant Government procedures and it is anticipated that the revised laws could be in place sometime 2009.
- Until the law is changed client assets cannot be transferred electronically without the need for a client signature.

• Technology:

- To transfer assets without a requirement to encash them requires the implementation of electronic messaging that can support this.
- Both platforms and fund management groups will need to invest in developing this infrastructure if platform to platform re-registration is to work effectively.
- Significant market activity is underway by a number of firms to improve the re-registration process. In the meantime Adviser Forum has developed an Adviser Guide to Re-registration to give advisers an impartial and independent view on the subject of re-registration.
- The following pages have been developed specifically for advisers using platforms / plan to use to platforms to assist them:
 - Understand how re-registration works in practice.
 - Understand how individual platforms process re-registrations and what, if any, constraints may apply.