|  |  |
| --- | --- |
| **ANNEXURE A**  **FEEDBACK TEMPLATE** RETAIL DISTRIBUTION REVIEW (RDR):DISCUSSION DOCUMENT ON CATEGORISATION OF FINANCIAL ADVISERS AND 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 possible adviser category designations in the Table above. Which designations would you support / not support and why, bearing in mind the FSCA’s preference for terminology that will assist consumer understanding of the status of the advice provided? (Note that different combinations of the suggested designations can be proposed).* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q2. Please submit any other suggestions for designations that will support the above objectives of the two-tier adviser categorisation model?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q3. Please provide your views on a possible requirement for additional “narrative” descriptions to describe each adviser category. Do you have any suggested language for such descriptions?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q4. Please let us know if you have any suggestions on how best to promote consumer awareness and understanding of the adviser category designations.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q5. Please provide your views on the FSCA’s response to the requests to relax the “either FSA or RFA – not both” approach in respect of*  *(a) advisers serving sophisticated or high net worth customers*  *(b) employee benefits advisers*  *(c) business transition and continuity.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q6. Please provide your views on the FSCA’s proposed approach to:*  *(a) the requirement that RFA and PSA adviser channels may not operate through the same legal entity*  *(b) governance controls required for a group of companies to operate both PSA and RFA adviser channels*  *(c) monitoring of product and product supplier selection for RFA channels*  *(d) intra-group funding arrangements.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q7. Do you support the proposed definition of “group of companies” for RDR purposes? Do you have any concerns that adopting the Companies Act definition could have unintended consequences or do you have alternative suggestions for an appropriate definition?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q8. Do you agree that PSAs should be permitted to operate as juristic entities? If not, why not?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q9. Do you agree that the use of juristic representatives should also be permitted in RFA distribution models? If not, why not?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q10. Please provide your views on the proposed limitations on shareholding / control of a juristic representative. If you disagree with the proposed limitation, please provide your suggestions on appropriate ownership and control of these entities.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q11. Please provide your views on the FSCA’s proposals regarding naming and branding of juristic representatives.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q12. Please provide your views on the FSCA’s approach to sole proprietors acting as representatives. Do you believe there are any specific advantages to either advisers or product suppliers in allowing a PSA to operate as a sole proprietor?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q13. Do you agree that PSAs should be limited to providing both advice and non-advice intermediary services in respect of its home group of companies’ products only? If not, why not? Examples of current business models that would be impacted by this approach will be appreciated.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q14. Please provide your views on the FSCA’s approach to retirement fund benefit counselling for RDR purposes.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q15. Please provide your views on the proposed limitations for juristic representatives providing intermediary services only. Examples of current business models that would be impacted by this approach will be appreciated.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q16.Please provide your views on the FSCA’s proposed exceptions to Proposal Y in respect of:*  *(a) adviser development*  *(b) group structures*  *(c) any other exceptions that should be permitted, with reference to actual business models that would be impacted if such an exception were not permitted.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q17. Please provide your views on the proposed extension of Proposal Y to key individuals, including the proposed exception for group structures. Do you foresee any unintended consequences of disallowing a KI from acting for more than one FSP?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q18. Please provide your views on the feasibility of a possible “reserve KI” dispensation for business continuity purposes. Do you foresee any unintended consequences?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q19. Please let us know if you have any comments on the licensing implications of the RDR adviser categorisation framework. Are there any additional licensing implications that you would like to bring to the FSCA’s attention?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q20. Do you agree with the FSCA’s summaries of the implications of each of the following contractual relationship scenarios? If not, where do you disagree?*  *(a) Scenario 1: PSA becoming a PSA of a different product supplier*  *(b) Scenario 2: PSA becoming a representative of an RFA*  *(c) Scenario 3: Representative of an RFA becoming a PSA*  *(d) Scenario 4: Representative moving from one RFA to another.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q21. In particular, please provide your views on the feasibility and potential implications of allowing policyholders to instruct the insurer to either redirect ongoing commissions or to stop paying ongoing commission altogether, in respect of all types of insurance policies where ongoing commission is payable. If you are opposed to the proposal to allow a policyholder to instruct the insurer to stop ongoing commissions, please explain why you believe it is appropriate for commission to continue to be payable where the intermediary’s services are no longer provided or required.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q22. Please provide your views on the FSCA’s concerns relating to the practices discussed under the heading “Insurance product pricing implications”. Are the practices correctly described? Do you agree that such practices are inconsistent with RDR remuneration principles?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q23. Please provide your views on the proposed approach to the products and services comprising “home group products and services”.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q24. Please provide your views on the proposed approach to retirement funds for adviser categorisation purposes. Suggestions for a definition of “sponsor” for these purposes would be appreciated.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q25. Please provide your views on the proposed approach to cell captive insurers for adviser categorisation purposes. Practical examples of cell captive business models that would be impacted by this approach would be appreciated.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q26. Please provide your views on the proposed removal of the current “no gap filling” exception for insurance policies in a class of products for which the insurer is not licensed. Practical examples of distribution arrangements that would be impacted by this change would be appreciated.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q27. Please provide your views on each of the following sets of proposed requirements relating to referrals by PSAs:*  *(a) Referrals to a product supplier or service provider outside the PSA’s home product supplier group;*  *(b) Referrals to an RFA;*  *(c) Selection of referees;*  *(d) Remuneration for referrals.*  *Input regarding existing business models or practices that are likely to be impacted by these proposals will be appreciated.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q28. Do you have any suggestions on the types of arrangements that constitute conflicts of interest that should disqualify use of the designation “independent” under paragraph 3.5 of the FAIS General Code of Conduct, where the FSCA could usefully issue formal guidance? In particular, please let us know whether you believe the setting of volume or production-based targets by product suppliers for RFAs should be treated as a conflicted arrangement that will disallow use of the designation “independent”.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q29. Please provide your views on the proposal to disallow advisers who do not hold a professional financial planning designation (and who therefore will not be permitted to use the designation “financial planner”) from describing their services as “financial planning” and describing their recommendations as a “financial plan”.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q30. Please provide your views on the proposed approach to product supplier responsibility for RFAs. In particular, do you agree with the proposed distinction between product supplier responsibilities for RFAs that are “independent” of the product supplier and those who are not?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q31. Please provide your views on the FSCA’s proposed approach to supervising product supplier influence in financial groups.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q32. Do you believe there is sufficient appetite for the above “multi-tied” adviser model, on the practical basis described? If yes, please provide details of the types of distribution models / product combinations where you believe such a model would be likely to be adopted.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q33. Please provide your views on the proposed practical application of the “multi-tied” model in relation to:*  *(a) Product class delineation;*  *(b) Limitation to natural persons;*  *(c) Licensing and product supplier responsibility implications.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| *Q34. In particular, do you agree that the “multi-tied” model should not be available in respect of advice on transactional banking or investment products? For example, what would the implications of this exclusion be for “bancassurance” business models?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| *Q35. Are there any further implications of such a model that you would like to bring to the FSCA’s attention?* | |
| **Issue/ Comment/ Recommendation** | |
|  | |
| ***Question for stakeholder input:***  *Q36. Please provide any further general comments you may have on the Discussion Document.* | |
| **Issue/ Comment/ Recommendation** | |
|  | |