ASIC
Australian Securities & Investments Commission

REPORT 408

Review of the implementation of RG 148 Platforms that are managed investment schemes

September 2014

About this report

This report is for platform operators, including operators of investor directed portfolio services (IDPSs) and responsible entities of IDPS-like schemes.

It highlights the key issues that arose out of our review of platform operators' implementation of the updated requirements in Regulatory Guide 148 *Platforms that are managed investment schemes* (RG 148), and outlines our responses to these issues.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Contents

Executive summary

1 As a result of our recent update to Regulatory Guide 148 *Platforms that are managed investment schemes* (RG 148), we reviewed 14 platform operators on their the implementation of the new requirements.

2 Platform operators have taken good steps to ensure they comply with the updated RG 148 requirements for operating a platform from 1 July 2014. However, some implementation and transitional issues that have been noted as requiring further ASIC monitoring include:

(a) conflicts of interest management, particularly in relation to vertically integrated structures;

(b) compliance with corporate structure requirements; and

(c) practical issues relating to the calculation of fees and costs required in Sch 10 to the Corporations Regulations 2001.

3 With the exception of a few platform operators that have spoken to or sought relief from ASIC about specific issues relating to the updated RG 148 requirements, the requirements appear to have been broadly well-received and implemented with little difficulty by the platform industry.

4 It was noted that for a number of platform operators their superannuation and non-superannuation offerings sit on identical administration systems with identical investment structures (and sometimes investors will hold both products) but will have different fee disclosure requirements. The Stronger Super fee disclosure requirements for superannuation products differ from that required in Product Disclosure Statements (PDSs) for managed investment products. This makes a comparison of product fees and costs more difficult for investors and increases the regulatory differences between super and non-super products. We will review the fee structure for platforms at a later date, once the Stronger Super fee disclosure regime has been implemented.

5 Platform operators did not bring to our attention any significant barriers to the effective implementation of the updated requirements in RG 148. In a number of instances operators noted that they already made the relevant disclosures prior to the publication of the updated RG 148.

6 We discussed the following issues with the platform operators we reviewed:

(a) inconsistency in the standards applied by platform operators when selecting and monitoring accessible investments on their platforms;

(b) consumer warnings about cooling-off rights, withdrawal rights and the effects of being advised or unadvised; and

(c) dispute resolution and access to external dispute resolution (EDR) schemes by platform clients.

7 Our review indicates that the platform industry should pay particular attention to the following issues:

(a) conflicts of interest management—particularly focusing on vertically integrated structures to ensure there is appropriate avoidance, management and disclosure in relation to the conflicts inherent in such structures;

(b) breach reporting—to encourage reporting in accordance with s912D (and, where applicable, s601FC(1)(l)) and Regulatory Guide 78 *Breach reporting by AFS licensees* (RG 78), particularly to ensure a greater level of consistency in the methodology used to determine if a breach is 'significant';

(c) the implications for unadvised (orphaned) clients on platforms—as this has the potential to be a growing portion of the market, and therefore clear policy and disclosure on the implications of being unadvised is becoming more important;

(d) investment governance risk—different standards applied in the selection and ongoing monitoring of investments on the investment menus of investor directed portfolio services (IDPSs), IDPS-like and superannuation platforms, and these may not be understood by consumers; and

(e) corporate structure requirements—we have identified a small number of platform operators that may not currently be public companies.

8 We will engage with the platform industry on the issues outlined in paragraph 7 in the next 12 months. We will also consider whether internal dispute resolution (IDR) and EDR obligations should be extended to product issuers who issue their products through platforms.

A Background and current state of the industry

Key points

This section outlines the background to ASIC's regulation of platforms and the growth and size of the platform industry. It also outlines the current trends and emerging challenges raised by platform operators.

ASIC's regulation of platforms

9 Platforms are used to facilitate the acquisition and holding of assets and enable investors to bundle product features such as custody of assets, execution and consolidated reporting. IDPSs and IDPS-like schemes are types of platforms.

10 Commercially, industry and investors generally refer to and understand the term 'platforms' to include IDPSs and IDPS-like schemes. Sometimes the term 'platform' is used interchangeably with a 'wrap', although the notion of a wrap is distinguished from a master trust, where the assets are held on trust for the members.

11 ASIC regards platforms as a financial product under the *Corporations Act 2001* (Corporations Act), and the financial product advice provisions of the Corporations Act apply where advice is given about investment via a platform.

12 From 1 July 2013, all platform operators and related entities were required to comply with the obligations set out in the *Corporations Amendment (Future of Financial Advice) Act 2012* and the *Corporations Amendment (Further Future of Financial Advice Measures) Act 2012*.[1]

Update to RG 148 and review of the implementation

13 Between 2011 and 2013, ASIC conducted a project to ensure that our policy on platforms covered existing and emerging issues in the industry. This culminated in the release of Consultation Paper 176 *Review of ASIC policy on platforms: Update to RG 148* (CP 176) and subsequent update of RG 148 in June 2013.

[1] At the time of writing this report, further FOFA reforms were in the process of being implemented through the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014. We will consider how these reforms may affect our final regulatory approach to platforms after further consultation with industry.

14 The key aspects that were addressed in the updated guidance were:

(a) management of conflicts;

(b) corporate structure requirements;

(c) financial resource requirements;

(d) voting rights;

(e) breach reporting;

(f) fees and costs;

(g) selection of investments;

(h) monitoring of investments;

(i) consumer warnings and acknowledgments;

(j) dispute resolution; and

(k) implications for investors who do not opt-in to continuing to receive financial product advice.

15 In addition to the updated RG 148, we also released a number of revised class orders:

(a) Class Order [CO 13/760] *Financial requirements for responsible entities and operators of investor directed portfolio services*, which modifies the Corporations Act financial requirements for responsible entities and operators of IDPSs;

(b) Class Order [CO 13/761] *Financial requirements for custodial or depository service providers*, which modifies the Corporations Act financial requirements for IDPS-like schemes;

(c) Class Order [CO 13/762] *Investor directed portfolio services provided through a registered managed investment scheme*, which modifies certain requirements of the Corporations Act in relation to disclosure for IDPS-like schemes;

(d) Class Order [CO 13/763] *Investor directed portfolio services*, which modifies certain requirements of the Corporations Act in relation to disclosure and other operational matters for responsible entities and operators of IDPSs; and

(e) Class Order [CO 13/797] *Platform operators and trustees of superannuation entities using an agent to deliver a Product Disclosure Statement*, which modifies certain requirements of the Corporations Act in relation to disclosure for trustees of superannuation entities, responsible entities of IDPS-like schemes and operators of IDPSs.

16 In the 2013–14 financial year, the IMS team reviewed 14 platform operators on the implementation of the updated requirements in RG 148 and related class orders. Existing platform operators had until 30 June 2014 to comply

with the updated RG 148 and related class orders. Among other issues, this review considered:

(a) emerging themes or issues arising from stakeholders concerning the implementation of the updated requirements in RG 148; and

(b) whether IDR and EDR obligations should be extended to issuers of underlying investments.

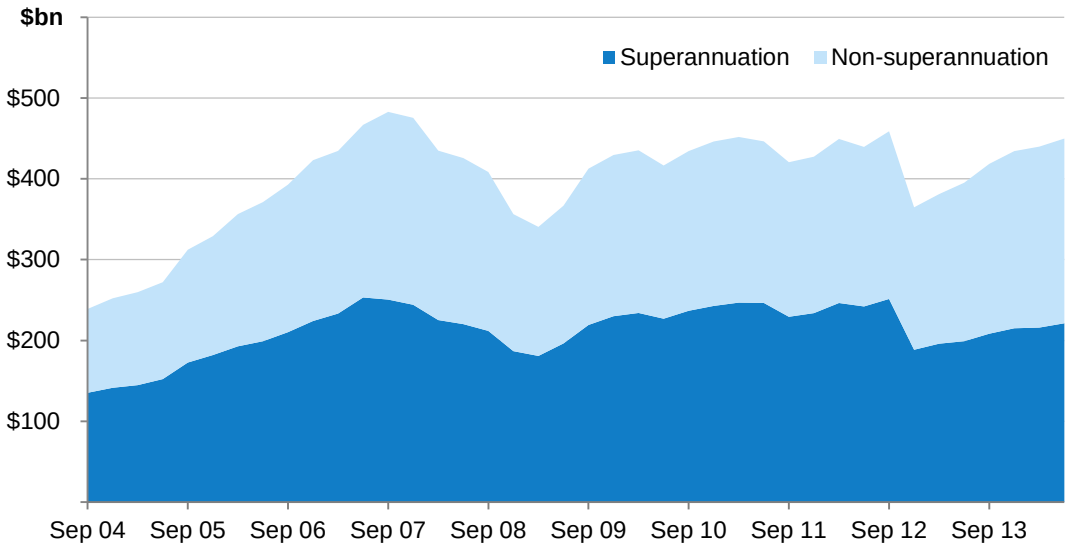
17 We also met with some operators who undertook white labelling arrangements, to seek their views on how some of the broader market issues applied more specifically to their business model.

18 We have limited this report to the key issues. This report is not intended to be a comprehensive summary of all responses received as part of our review. It is also not meant to be a detailed report on every question put to respondents.

Growth and size of the platform industry

19 The platform industry has been growing at a consistent pace over the last few years. Between September 2004 and June 2014, total funds under administration almost doubled (from $239 billion to $449 billion), more or less split evenly between superannuation and non-superannuation funds: see Figure 1 and Figure 2.

Figure 1: Total growth in funds under administration of the platform industry (to 30 June 2014)



Note: 'Superannuation' includes superannuation wraps and superannuation master trusts, while 'non-superannuation' includes allocated pension master trusts, investment master trusts, investment wraps, pension master trusts, pension wraps and term allocated pension master trusts.

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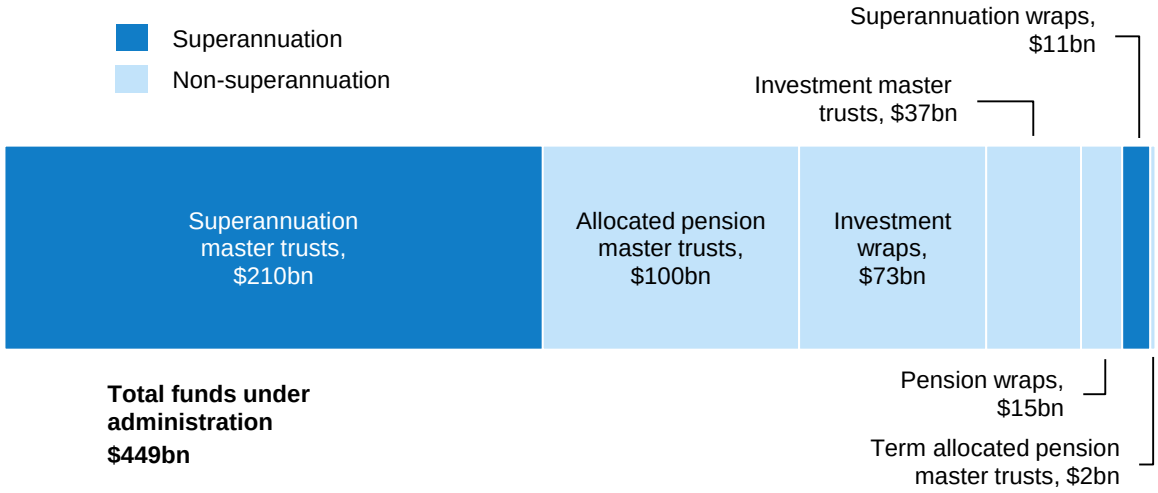
20 The fall in funds under administration in 2008 can be attributed to the global financial crisis.

Figure 2: Breakdown of superannuation and non-superannuation funds by product type (as at 30 June 2014)



21 In line with the growth in the self-managed superannuation fund (SMSF) industry, our review found approximately one-third of investments in these platforms came from SMSFs. This is an important development. Often the SMSF industry's investment through platforms is investment in property funds (in particular, those with a residential property focus); however, there is a noticeable trend to invest through platforms into conventional financial assets. The platform operators that we spoke to were aware of the importance of SMSF investments and a number of the operators where tailoring their product offerings to SMSF advisers and SMSF trustees.

Current trends and emerging challenges

22 Platform operators indicate that there is significant change and innovation taking place in the platform industry. This is driven by regulatory changes, increased competition (including from the non-platform industry, such as exchange traded funds and ASX's mFund Settlement Service), and changing consumer expectations.

23 Platform operators noted the following trends:

(a) The regulatory environment is complex, and regulatory reform is driving structural changes in the industry and investment in compliance.

(b) There is a high level of concentration and increasing vertical integration in the platform industry (this issue was also raised by the *Financial System Inquiry: Interim report* (FSI interim report)), which has created competition issues for smaller operators and new entrants, as well as raising some issues around the flow on effects to consumers.

(c) The number of white labelling and private labelling arrangements have increased.

(d) Platforms will continue to evolve as advances in technology facilitate greater flexibility and innovation. There is a trend towards more services to end clients, rather than solely to their advisers, as the number of unadvised clients become more common. The traditional value proposition of platforms is changing, and some clients prefer to invest directly into platforms.

24 We also discussed the adequacy of compliance measures in place to address issues arising from outsourcing functions in white labelling arrangements.

B Requirements for operating a platform

Key points

This section outlines the key issues addressed in our review of the implementation of the updated RG 148 requirements for operating a platform, and our findings in relation to those issues.

It covers:

- conflicts of interest policies;
- corporate structure requirements for IDPS operators;
- financial resource requirements;
- voting rights;
- breach reporting;
- fees and costs; and
- implications for investors who are not advised.

Conflicts of interest policy

25 Both CP 176 and the FSI interim report identified that the wealth management industry has undergone considerable consolidation since the 1997 Financial System Inquiry (Wallis Inquiry). Vertical integration is increasing, with the major banks at the forefront of this trend, combining advice, platforms and fund management into single businesses. Other wealth managers have also replicated this strategy to varying degrees.[2]

26 Platform operators typically have associations with other parties in the product distribution chain that may give rise to conflicts of interest. The platform operator's conflicts of interest policy should address how to manage conflicts that arise because of relationships between those in the product distribution chain. Incentives to advisers who recommend in-house products and rebates paid to advice groups also have the potential to influence the choice of financial product recommended to consumers.

27 Platform operators will need to carefully monitor and manage the conflicts of interest of all Australian financial services (AFS) licensees, and their representatives, in the product distribution chain through a combination of internal controls, disclosure and, in some cases, avoidance of the conflicts altogether. This will assist in ensuring that the conflict will not result in a

[2] FSI interim report, p. 2-38.

failure to meet the licensee's or representative's duties: RG 148.180–RG 148.184.

28 In our view, this issue may warrant further monitoring and consideration and, subject to any further amendments under the proposed Future of Financial Advice (FOFA) reforms (Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, currently subject to a motion to disallow), possibly more specific clarification of how we expect these conflicts to be managed.

Findings

29 To operate a platform, we require that the platform operator must be a public company and therefore be required to disclose related party relationships. As part of our review, we considered the conflicts of interest policy documents of the 14 platform operators and raised issues relating to conflicts management as part of our discussions with those operators.

30 We remain concerned about the quality of the compliance and risk management frameworks established to identify and mitigate the conflicts of interest in vertically integrated structures.

31 Some of the platform operators we reviewed applied a high-level global conflicts of interest policy that was not specific to their platforms business, while other operators had in place a global policy that applied across their broader group business structure, but also had specific consideration of how that policy would be applied in the context of the platform environment.

32 The better conflicts of interest policies we saw in our review ensured that all new employees and contractors within a business undertook relevant training to understand what would constitute a conflict of interest, and all staff participated in regular compliance training to ensure ongoing engagement with these policies. The policies also addressed conflicted remuneration arising from relationships between those in the product distribution chain, and how to manage them.

Good governance practices

33 We consider it a useful approach for platform operators to have an overarching policy, which is easy to understand and follow, combined with some specific consideration of issues particularly relevant to the various functions and products contained within the platform business.

34 We expect all platform operators' conflicts of interest policies to address (at a minimum) how:

(a) decisions about the investment menu for the platform are made and the potential for any conflicts to arise and affect decision making, including

what processes and procedures are in place to assist platform operators to manage conflicts of interest obligations in the selection process—for example, use and composition of investment committees and administrative or technological limitations that may affect the breadth of investment options available on the platform; and

(b) to manage conflicts of interest that arise because of relationships between those in the product distribution chain, including whether an independent assessment is conducted when the platform operator selects investments (RG 148.37).

35 In RG 148.36, we state our expectation that a platform operator should take into account Regulatory Guide 181 *Licensing: Managing conflicts of interest* (RG 181), including having in place a comprehensive conflicts of interest policy that contains appropriate measures to identify, document and manage conflicts, and following that policy in the running of its business (e.g. disclosure of the conflict in the IDPS Guide or PDS (as relevant), where appropriate). The policy should be adequate to give confidence that a conflict will not cause the platform operator to breach its duties.

36 Platform operators should ensure they foster a culture in which staff are encouraged and supported to voice any concerns with the relevant management or compliance function. There should be a clear understanding of the circumstances that could give rise to a conflict of interest and methods by which conflicts are identified, and a consistent approach to ensuring that all conflicts are disclosed, managed or avoided to ensure optimal outcomes for consumers.

37 We noted that a number of the platform operators we reviewed are subject to more specific conflicts of interest management requirements, set out by Australian Prudential Regulation Authority (APRA) in Prudential Standard SPS 521 *Conflicts of interest* (which applies to registrable superannuation entities (RSEs)), and that these operators chose to apply this level of scrutiny and management to their entire conflicts of interest management regime. The board of an RSE licensee is ultimately responsible for instituting a conflicts of interest management framework that is appropriate to the size, business mix and complexity of the RSE licensee's business operations, and that applies to the entirety of its business operations.

38 We consider that one conflicts of interest policy could address the requirements of SPS 521 and RG 181; however, we would expect a dual-regulated entity to appropriately address in a single policy any differences in the provisions and scope of SPS 521 and RG 181 so that all the requirements of RG 181 are also met.

Corporate structure requirements for IDPS operators

39 Prior to 1 July 2014, we did not require IDPS operators to be a public company. From 1 July 2014, all existing IDPS operators that are a proprietary company must be a public company: [CO 13/763]. A similar provision, applicable to responsible entities of IDPS-like schemes, is set out in s601FA of Corporations Act. The requirement ensures that IDPS operators have suitable operating structures to conduct their financial services business. A public company structure provides increased financial accountability as well as disclosure requirements about any related party transactions. This promotes greater transparency with clients and enhances confidence in the platform industry.

Findings

40 While many participants already satisfied this requirement within their existing structures, we are aware of several IDPS operators that do not currently meet this requirement.

41 A relief application was received in the first half of 2014 from a registered foreign company that is an Australian authorised deposit-taking institution (ADI) and the operator of an IDPS. This entity noted that it already complied with the additional public company financial and disclosure requirements and sought relief from the requirement to be a public company. This relief was granted on the basis that this entity's circumstances did not circumvent the policy rationale behind this change in RG 148 and that capturing entities of this nature was an unintended consequence of the change.

42 A further application has been received from another private company that is the operator of an IDPS and is a subsidiary of a larger corporate group including an Australian ADI. This matter is under consideration by ASIC. In the course of our inquiries we have identified approximately 24 private companies that currently have an AFS licence authorisation to operate an IDPS. While it appears that the majority of these companies are not currently operating an IDPS, there has been further engagement with these entities to ensure compliance with [CO 13/763].

Financial resource requirements

43 The updated RG 148 requires that IDPS operators meet the same financial resource requirements as set out in Appendix 3 of Regulatory Guide 166 *Licensing: Financial requirements* (RG 166).

Findings

44 Our review noted that for a number of platform operators this amendment had no practical impact, as these operators already complied with the financial resource requirements applicable to APRA-regulated entities. While these platform operators were not directly impacted by the change, we note that they were universally supportive of the additional requirement on non-APRA regulated entities as a means of ensuring those entities had sufficient financial resources to conduct their financial services business.

45 For platform operators that are not currently regulated by APRA, while stating that they were able to meet the new financial requirements, the responses indicated that they felt there were other ways to address the risks we identified without resorting to financial resource requirements.

46 Another issue raised was that the requirements appeared to impose a disproportionate level of capital protection requirements on smaller players in the market when considering the net tangible assets (NTA) required as a proportion of fund size, and that these funds were consequently diverted from platform development.

47 We consider that there are advantages in having financial resource requirements to ensure that IDPS operators have:

(a) sufficient financial resources to conduct their financial services business in compliance with the Corporations Act;

(b) a financial buffer that decreases the risk of a disorderly or non-compliant wind-up if the licensee fails; and

(c) incentives to comply with the Corporations Act through risk of financial loss (see RG 166.3).

48 In the course of our discussions, it was noted by some platform operators that clarification might be required in RG 148 around whether it was necessary for a platform operator to comply with the NTA test set out in RG 166 if there was a custodian in place that was also meeting the NTA requirements. It was noted by some entities that they felt this was unnecessary duplication of the policy imperative driving this requirement.

49 We consider that greater clarity in RG 148 may be beneficial to industry to better understand the NTA requirements that need to be met if the IDPS operator also performs custodial functions. RG 166.251 provides guidance on this issue and that the additional NTA requirements must be met if they perform custodial functions as an IDPS operator.

50 We consider that these requirements are necessary, as restricting poorly capitalised entities from providing asset holding services presents a benefit to the community.[3]

Voting rights

51 The updated RG 148 requires platform operator to have in place a voting policy that includes information about its voting practices on company and scheme resolutions and other corporate actions. This policy must be disclosed in the IDPS Guide or PDS (as relevant).

52 If a platform operator's voting policy does not allow voting by investors in certain circumstances, or altogether, the operator must make clear and prominent disclosure in the IDPS Guide or PDS that voting rights are not available when investing through the platform.

Findings

53 A large number of the platform operators we reviewed have taken the position that they will not offer the ability for investors to participate in voting on company or scheme resolutions. Platform operators that do offer the option for investors to advise them of their instructions in relation to voting sometimes reserve the right not to act on those instructions. Generally, information is disseminated and instructions received via the adviser, with some platforms having an interface that allows the investor to provide instructions directly.

54 We are aware of some platform operators acting on financial advice groups' instructions where those instructions might reflect the financial advice groups' voting intention rather than their clients'. We consider this to be a problematic practice and may breach the conflicts of interest obligations. Advice given by a dealer group or its representatives about using a platform (including whether an investor should participate in voting on company or scheme resolutions and what decision they should make) needs to be prioritised in the interests of the client if there is a conflict between the client's interests and the interests of the advice provider: see s961J and RG 148.179.

55 In all cases platform operators appear to be providing investors with disclosure regarding the approach they take, or they have noted that they are in the process of updating the relevant disclosure documents to make it clear

[3]ASIC, *Financial requirements for custodial or depository service providers*, Regulation Impact Statement, June 2013, paragraph 217, www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/ris-rg166-published-28-June-2013.pdf/$file/ris-rg166-published-28-June-2013.pdf.

to investors the extent to which they may or may not be able to participate in voting on the underlying investments and the mechanisms, where relevant, for doing so.

56 We are of the view that this update to RG 148 has been generally well-received and implemented, and will be of benefit to investors in improving the transparency of the rights that may be available when investing through a platform.

Breach reporting

57 Breach reporting by AFS licensees forms an important part of the financial services regulatory framework. Reporting to ASIC in a timely way helps us identify and address problems with AFS licensees, as well as identify and assess emerging risks and issues.

58 Section 912D of the Corporations Act requires an AFS licensee to report significant breaches to ASIC as soon as practicable and in any case within 10 business days after becoming aware of a breach.

Findings

59 As part of our review, we considered the approach that platform operators have taken towards reporting breaches to ASIC. One issue that we identified was that there does not appear to be consistency across operators on when the obligation to report arises, as well as what is considered to be 'significant' under s912D of the Corporations Act.

60 RG 78.28 states that the reporting period starts on the day licensees become aware of a breach (or likely breach) that they consider could be significant. We consider the obligation to report begins then, and not after a view is formed by senior staff following internal investigation by the compliance unit and escalation within the licensee.

61 We consider that platform operators should lodge timely breach reports with ASIC and apply a more consistent test to what is considered 'significant'. Also, platform operators should have a clear written policy and process in place for such a test to be applied consistently to all circumstances that need to be considered.

62 We wrote to platform operators in June 2013 about our expectations around reporting breaches. We made it clear in our letter to them that if platform operators found they have breached or are likely to breach requirements in a way that gives rise to the significant breach reporting obligation, we expect these breaches to be reported to ASIC in the usual way, as required by the legislation. In considering our regulatory response to platform operators as

AFS licensees in respect of a breach, we will take into account the fact that the breach has been self-reported rather than reported to us by a third party or client, and will also take into account any delays or obfuscation in reporting.

63 We also noted in our letter that if clients have been disadvantaged or suffered loss as result of legacy issues, but the platform operator has not technically breached any requirements or the operator does not believe it is a significant breach as defined in RG 78, we consider operators should still adopt a 'good practice approach'. This includes rectifying the problematic action or practice to address the consumer disadvantage in a timely manner, and keeping ASIC informed about the rectification approach adopted in these circumstances.

64 Despite drawing platform operators' attention to these expectations in June 2013, we were concerned to note in our review that there appeared to have been instances where a platform operator had made a decision to pay compensation or make some form of financial 'adjustment' to an investor's account, but that the circumstances that gave rise to the decision to pay this financial compensation were not the subject of a breach report to ASIC.

65 Our view is that if the circumstances are sufficiently 'significant' that a platform operator determines that it needs to make payment to an investor, then those circumstances would also give rise to an obligation to report to ASIC under s912D of the Corporations Act.

66 We consider that this is an area where we may need to work closely with platform operators to increase reporting of breaches and change the current compliance practices.

Fees and costs

67 Most platform operators we reviewed discussed the need for naming conventions and fee definitions to be consistent for superannuation and managed investment products.

68 A number of platform operators also noted that superannuation and non-superannuation products were often administered on the same system and that there was unnecessary duplication of programming to deal with these differences in definitions.

69 Platform operators expressed the difficulty with calculating and disclosing the 'indirect cost ratio' of an investment and the differing interpretations within the industry as to how this requirement applies to various investments and ownership structures.

Superannuation and managed investment products

70 The revised fee disclosure regime for Stronger Super came into effect on 1 July 2014. The new requirements for fee disclosure of superannuation products differ from that required in PDSs for managed investment products.

71 This can make a comparison of product fees and costs more difficult for investors; in particular, for superannuation fund members that are given a managed investment product's PDS as part of the disclosure for an investment option available in a superannuation fund where they invest via a platform arrangement.

72 We have raised this fee disclosure issue with the Australian Government and the Corporations and Markets Advisory Committee (CAMAC) in its review of managed investment schemes.[4]

Inconsistent disclosure of fees and costs by trustees of superannuation products and by issuers of managed funds products

73 We have recently released our findings on the fee disclosure practices of superannuation and managed investment product issuers in Report 398 *Fee and cost disclosure: Superannuation and managed investment products* (REP 398). We have highlighted some inconsistent fee practices and reporting that have the effect of reducing the benefit of fee and cost disclosure for investors.

74 We have responded to these key issues and, in consideration of the 1 July 2014 start date for the new Stronger Super fee and cost disclosure changes, have issued Information Sheet 197 *Fee and cost disclosure requirements for superannuation trustees* (INFO 197), which incorporates FAQs previously published on our website and addresses a number of other issues and concerns identified by industry.

75 REP 398 notes that the inconsistencies between the reporting of fees and costs in underlying investment vehicles has been an area of significant concern. We will continue to focus on fee and cost disclosure in 2014–15 and will be consulting with industry further on the definition of 'indirect costs' for superannuation funds and 'management costs' for managed investment products, in addition to other matters, with a view to modifying the law by issuing a class order to clarify the definition.

76 We consider that the clarification of the definition of these costs will help improve consistency in disclosure and potentially reduce compliance costs

[4] CAMAC, *The establishment and operation of managed investment schemes*, discussion paper, March 2014, http://camac.gov.au/camac/camac.nsf/byHeadline/PDFDiscussion+Papers_1/$file/MIS_DP_MARCH2014.pdf.

for industry resulting from any present lack of clarity. We are updating Regulatory Guide 97 *Disclosing fees and costs in PDSs and periodic statements* (RG 97) to clarify a number of fees and cost disclosure issues. We have raised this issue and the need for law reform with Treasury.

77 Once this work is complete we will again review the fee disclosure regime for platforms to see if any further issues need to be addressed.

Implications for investors who are not advised

78 One trend identified in CP 176 was the potential for more platform clients to become 'orphaned' on platforms. That is, to lose contact with their adviser, but still have funds invested through the platform.

79 The updated RG 148 requires that platform operators have a written policy that outlines how they will deal with investors who do not opt in to continue to receive financial product advice from their financial product advisers under s962K, or who otherwise decide not to retain or continue to retain the services of any financial product adviser or a financial product adviser meeting certain requirements. This policy is required to be clearly disclosed in the IDPS Guide or PDS (as relevant) of the operator.

80 We asked platform operators about their policy on unadvised clients. Would the client be able to continue providing instructions in relation to the accessible investments or would they no longer be able to invest in the platform? In the course of our visits we sought views on the possibility that platform operators will introduce more client self-service options as part of their platform service.

Findings

81 Since conducting our visits, FOFA reforms have been in the process of being implemented through the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, to remove the requirement under s962K for a fee recipient to send a fee renewal notice to a client (from commencement of the Regulation until 31 December 2015 (reg 7.7A.7 of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014)).

82 Two pressures were identified as contributing to the increase in unadvised clients on platforms and the demand for self-service options. Firstly, there is a trend toward platform clients wanting to manage their own investments without the assistance of a financial adviser. Second, the increasing use of SMSFs has resulted in clients choosing to operate their superannuation funds themselves without an adviser in order to benefit from consolidated reporting and other features the platform offers.

83 The responses varied, with some platform operators allowing clients to continue to invest in the platform, albeit some with reduced functionality. Some platform operators allowed unadvised clients to transact but only via paper-based instructions. Other operators allowed the client to access their online account, which had previously been operated by their adviser. They also ceased to charge the client adviser service fees.

84 Many platform operators were changing their business model to include arrangements to deal with unadvised clients. One operator provided an online financial advice service that gave financial product advice and processed investment switches for clients.

85 There is a trend towards more services to end clients rather than to their advisers. The nature of the advice services provided directly to clients was not clear from the responses—however, it seemed that most advice services related to general or scaled advice, probably relating to transactions carried out on the platform. The comment was made by more than one platform operator that the more advice a client received, the more they wanted.

86 There were a number of platform operators who did not allow clients to continue in the platform without an adviser. The reasons given for this approach were the complexity of IDPSs and that their business models were designed to service only advised clients.

87 Where there was an increase in the use of platforms by unadvised clients, we questioned whether there is an issue around clients understanding the differences between investing in a product directly and through a platform.

88 Platform operators noted that the disclosure provided to clients in the IDPS or PDS (as is relevant) explains the differences between investing through a platform and investing directly. The argument that clients may assume that a certain level of due diligence had been conducted on the products on the platform (as with an approved product list) was refuted by some platform operators. These platform operators considered their platform business as operating like a financial product ‘supermarket’, where it is assumed that the client is either advised or is sufficiently sophisticated to choose appropriate investments themselves.

C Platform operation—obligations and disclosure

Key points

This section outlines the key issues addressed in our review of the implementation of the updated RG 148 disclosure obligations for platforms, and our findings in relation to those issues.

It covers:

- selection and monitoring of investments;
- consumer warnings and acknowledgments; and
- dispute resolution.

Selection and monitoring of investments

89 We asked platform operators to describe how they select investments for their platforms, including the methodology they use and any significant factors that they take into consideration in making their selection—for example, research, investment ratings, due diligence, adviser demand, technological and administrative factors.

90 From 1 July 2014, [CO 13/762] and [CO 13/763] require that a platform operator disclose how they will determine what financial products, securities or other investments are or will be available as accessible investments for the platform, including the processes applied and the factors considered for that purpose. We asked platform operators for their feedback on the implementation of this new requirement.

91 We asked whether any monitoring of investment performance and ongoing due diligence took place.

92 An issue may arise where the platform operator applies a different standard of due diligence when selecting investments for the investment menu depending on whether the platform is a superannuation fund, IDPS-like scheme or an investment platform that is an IDPS. The different standards are set out in Table 1.

Table 1: Different due diligence standards

Entity	Standard
Superannuation fund	Dual-regulated entities are required by the *Superannuation Industry (Supervision) Act 1993* and Prudential Standard SPS 530 *Investment governance* to undertake due diligence and ongoing monitoring of investments that they place on their investment menus to ensure that the investment is consistent with the interests of beneficiaries and meets liquidity demands. This requires the trustee to play a gatekeeper role when placing investments on the superannuation fund's investment menu.
IDPS	The IDPS operator is required to disclose details of the process by which investments are selected for inclusion on the investment menu, including the methodology it uses and any significant factors that it takes into consideration in making its selection. [CO 13/763] does not require ongoing monitoring of accessible investments on the investment menu.
IDPS-like scheme	IDPS-like schemes are required by s601FC to act in the best interests of members of the scheme when considering the selection of investments that are to be made available within the scheme. This involves a higher standard of consideration than that required of IDPS operators.

Findings

93 While there are some features of investment selection that were common across all 14 platform operators, there were different levels of due diligence and investment governance being conducted by them depending on whether they are dual regulated or operate under [CO 13/763] or [CO 13/762]. This creates challenges for investors, because they may have a general expectation that there is significant oversight of underlying investments by the platform.

94 All platform operators told us that they have a process for determining what products, securities and investments will be permitted onto the platform. Generally, operators are using some form of investment or governance committee as a formal system of scrutiny and approval. The committee members normally have a wide range of investment skills and give the appearance of independence from the business aspects of the platform operations. Some operators use internal research groups that operate autonomously from the platform operations, although we note that all decisions are ultimately for the relevant boards.

95 There was a wide range of criteria mentioned in terms of selection and approval and we noted a predominant theme of favouring compatibility between the systems and products. Many platforms combined this element with top-down asset allocation and noted that demand from advisers and investors was also a key driver. Most platform operators said they had a governance framework that outlined criteria for each new type of product to

be included, with increasing levels of scrutiny being applied to platform offerings for superannuation.

96 Many platform operators noted the availability of external research reports on the new product as a factor. Listed securities go through a lower level of scrutiny and a few platform operators would allow overseas listed securities, but this was not the case for all operators.

97 Some platform operators indicated they apply thorough due diligence scrutiny to individual fund managers and many explicitly noted that they required fund managers to sign contractual agreements setting out service levels, including requirements for ongoing due diligence and compliance monitoring.

98 The general view was that a high-level description of the methodology and factors considered as part of this process should be sufficient for investor disclosure. It was noted by some platform operators that detailed disclosure of specific information relating to the investment selection and management of the investment menu would constitute a commercial disadvantage to the platform operators, and to some degree infringe commercial sensitivities and intellectual property.

99 A number of platform operators noted that investors were only able to access their product offering through an adviser and that the decision to invest in a particular offering or combination of offerings was an assessment best made by an adviser considering the specific circumstances and needs of their client. These operators required that the investor be 'advised' to be able to access the platform: see paragraphs 78–88.

100 In relation to ongoing investment monitoring, most platform operators conducted some form of investment performance monitoring, though we note that the level of monitoring ranged from very light (such as updating the investment menu to include recommendations of adviser-preferred products) to very detailed. Many applied the more rigorous regime for superannuation investment monitoring than for non-superannuation investments.

101 A number of platform operators stated that they undertake quarterly monitoring of investment options and/or reviews of various sectors of their investment portfolio. Asset class reviews and compliance certificate monitoring appears to occur on an annual basis for a number of operators. Other monitoring methods employed included reviewing performance against the relevant manager's stated objectives and/or peer performance and reviewing the results of third-party research ratings.

Complying with the requirements relating to selection and monitoring of investments on a platform

102 By virtue of the fiduciary duty imposed on superannuation trustees and responsible entities, we expect these platform operators to conduct appropriate due diligence before placing investments on their investment menu. Importantly, we also expect ongoing monitoring of the investment menu to ensure that the investments are managed in a manner consistent with the interests of members. This is an area that superannuation trustees and responsible entities need to monitor closely to ensure continuing suitability with the investment strategy of the fund.

103 We consider that disclosure of the factors that determine what financial products, securities or other investments are or will be available as accessible investments on the investment menu, including the process and methodology an IDPS operator uses, are critical for an investor to understand the process involved in determining the list of available investments. This information is important because it may have a material influence on the investor's decision to use the particular platform and access specific products through it.

104 We consider that it may be appropriate to revisit this issue again to determine whether any further issues should be addressed, such as the effect (if any) that the different standards applied in relation to selection and ongoing monitoring of investments on the investment menus of IDPS, IDPS-like and superannuation platforms may have on consumers' understanding of the product that they invest in.

Consumer warnings and acknowledgments

105 We asked platform operators whether they had any concerns regarding implementation of the new requirements to include consumer warnings about cooling off rights, withdrawal rights and the effects of being advised or unadvised. We also asked them to comment on the new consumer warning acknowledgment required in the application form of the IDPS Guide or PDS.

Findings

106 All platform operators said that they did not have any concerns or difficulties with these new disclosure requirements and a number of operators noted that they had already been making these disclosures in their offer documents prior to this new requirement coming into effect.

Dispute resolution and access to EDR schemes by platform clients

107 We asked how platform operators dealt with clients who made complaints about an accessible product in a platform. We also asked whether platform operators were aware if issuers of accessible investments on their platform maintained IDR procedures and whether this was common.

Dispute resolution

108 Some platform operators take full responsibility for resolving disputes. Other operators rely on the adviser to mediate or refer the client to the underlying product issuer.

109 The reasons that some platform operators gave for acting as an intermediary in a dispute, or taking full responsibility for resolving the complaint, were:

(a) the platform operator regarded itself as the client of the underlying product issuer;

(b) it was the platform operator's role to resolve client complaints; and

(c) it would be problematic to approach the underlying fund manager to open up their IDR processes.

110 The reasons given by platform operators that did not take on the responsibility of resolving the complaints were:

(a) it was the adviser's role to deal with the complaint—this was particularly so with platform operators who only allowed advised clients to remain in the platform;

(b) all client contact had to be through the client's adviser;

(c) it was up to the underlying product issuer to determine whether they would assist in resolving the dispute;

(d) client expectations were managed so that they understood that the investment in the underlying product was not made in the capacity of a retail client;

(e) the platform operator would deal with the complaint if it was about a product issued by a related party but would refer the client to the underlying product issuer if it was not part of the group; and

(f) complaints were facilitated by the subcustodian.

111 Most platform operators indicated that complaints about underlying products were not common, with some operators indicating that they had never received a complaint of that nature.

Access to EDR schemes

112 One platform operator commented that underlying product issuers generally had business development managers who would speak directly to the client's adviser, eliminating the need for IDR. Many commented that the product issuers were required to have IDR procedures as an AFS licensee. We assume, therefore, that most of these product issuers also issued their products directly to retail clients via a PDS. Those who did not issue products to retail clients may not have an IDR process.

113 Those platform operators who were also product issuers were asked for their views on extending IDR and EDR obligations to product issuers who issue their products through platforms. The opinions were mixed; however, more than half of the platform operators agreed that IDR procedures and membership of an EDR scheme should be required of product issuers whose products are on a platform. One platform operator commented that most complaints were about the financial advice not the product. Another commented that disputes relating to pricing concerns or true-to-label investments should be managed at the platform level, as they will affect multiple clients rather than just one. We are considering revisiting this issue at a later time.

114 Product issuers that deal with retail clients are required to have in place a dispute resolution system that includes an IDR procedure and membership of an EDR scheme. Some product issuers that have accessible investments on a platform only deal with wholesale clients and are not required to be members of an EDR scheme.

115 Clients of a platform may be able to access a product issuer's EDR scheme, such as the Credit Ombudsman Service Limited (COSL) and the Financial Ombudsman Service (FOS), if they have a complaint concerning an underlying investment on a platform.

116 We will consider whether the IDR and EDR obligations should be extended to all product issuers who issue their products through platforms.

D Current trends and emerging challenges

Key points

During the course of this review we identified a number of issues that may require further consideration, such as:

- market concentration;
- white labelling and private labelling;
- future challenges.

These issues could be considered either through the Financial System Inquiry or through a further review of RG 148 at a later point in time.

Market concentration

117 The FSI interim report has raised competition issues relating to platforms.[5] The largest platforms have been getting larger relative to their competitors and the five largest platform providers now hold almost 80% of primary planner relationships, creating competition issues for smaller players and emerging players in the market.[6]

White labelling and private labelling

118 White labelling and private labelling constitute a notable feature of the platforms market. While the changes implemented by RG 148 are not specifically directed to white label[7] and private label[8] operators, we considered it useful to engage with operators who used a white label business model to identify if there were any particular issues raised by these players within the market. A brief summary of some of the responses and issues raised is set out in paragraphs 119–124.

[5] FSI interim report, p. 2-38.
[6] FSI interim report, p. 2-38.
[7] In 'white labelling' arrangements the platform operator enters into contractual arrangements with a third party (typically a licensed dealer group), who rebrands the platform to make it appear as its own and often uses its own pricing structure. Put another way, the platform is 'badged' or 'promoted' by the third party as its own product.
[8] 'Private labelling' arrangements differ from white labelling arrangements in that the third party itself becomes a platform operator and must fulfil its obligations in this capacity, although it typically outsources the administration of the platform to a leading platform operator.

Financial services business

119 The white label operators we reviewed offer products sourced from a range of other platform operators. They distribute the products only through their own representatives and, within this model, generally the adviser and investor are both able to access the account, though the investor may only be able to access reporting information via proprietary software.

Relationships and integration

120 Some white label operators have a vertically integrated business model, where they issue financial products and rely almost entirely on their own distribution network of owner-operator branches. The operators acknowledged that conflicts of interest are potentially more likely with any vertically integrated business model and that it was necessary to have a policy in place to address these conflicts.

121 The FSI interim report raised concerns about the impact of vertical integration increasing, and the implication of this trend on combining advice, platforms and fund management into single businesses. The report highlights the strong relationship between advisers giving non-compliant advice and conflicts of interest in business models that arise as a result of vertical integration.[9] The report also notes the effect this trend has had on competition in the wealth management industry and how the focus now appears to be on securing distribution channels and improving product features, rather than reducing fees.[10]

Dispute resolution and access to EDR schemes by platform clients

122 We asked the white label operators how complaints that related to the marketing of the platform are dealt with and how this is disclosed in the IDPS Guide, PDS or marketing materials.

123 Generally, white label operators disclose information about how to complain in their Financial Services Guide (FSG), IDPS Guide and/or PDS. Depending on whether the complaint relates to the underlying product, an administrative aspect or the advice, these disclosure documents will provide details of who to contact and the process required for resolving the complaint.

124 A white label operator noted that in the first instance, and regardless of whether the complaint is related to the promotion or any other activities

[9] FSI interim report, p. 3-65.
[10] FSI interim report, pp. 2-38 and 3-65.

captured by the use of the IDPS, the underlying platform operator will assess the issue and, should the issue be related to an action or non-action of the white label operator (administration and reporting related), then the complaint would be directed to the white label operator for treatment under their IDR process. If the complaint related to advice provided on the IDPS, the complaint would be dealt with by the dealer group (who is often the white label operator). Each of these processes is set out in the relevant document (e.g. FSG, IDPS Guide and PDS).

Technological advances

125 The comment was made that white label operators anticipated that in the next three to five years technological advances facilitating greater flexibility and innovation, especially regarding data capture, would place pressure on legislators and regulators to foster an environment to enhance innovation and competition.

126 This development would mean greater interdependence between the operators and the white label operator and/or dealer group, with the latter taking on more administration and funds management responsibilities. This is a development we are monitoring closely (we note it also applies in relation to managed discretionary account services). We may consider this issue when further guidance is issued in relation to our policy in Regulatory Guide 179 *Managed discretionary account services* (RG 179).

Future challenges

127 We asked platform operators to comment on what they considered to be the current and future challenges facing the platform industry. It was reassuring to see that there was broad consensus among the 14 platform operators on what these challenges were, and that many of these issues have also been identified by ASIC.

128 Some of the key challenges identified were that:

(a) increased legislative change is a primary driver of a changing environment for financial services, and platform operators need to adapt to accommodate the needs and expectations of end clients and ensure the sustainability of their businesses. It was noted by one operator that legislative change is expensive to implement in most circumstances. Another noted that it also causes significant reduction in innovation due to capital expenditure on regulatory change;

(b) some platform operators are subject to oversight by multiple regulators;

(c) commercial decision-making processes can be lengthy and the implementation timeframes for regulatory change can often be short,

which increases the risk of non-compliance and can impact day-to-day operations as resources are diverted to regulatory reform projects. It was noted that the speed and regularity of legislative changes can potentially delay the introduction of new products because a number of obligations have to be considered and regulators consulted;

(d) businesses are seeking to reduce the number of administration systems being used and maintaining dated systems is becoming increasingly costly and misaligned with the price competition prevalent in the financial services industry. A number of platform operators noted there was an increasing trend to outsourcing of administration functions to try to improve cost effectiveness;

(e) the market is embracing new online business models (e.g. exchange traded funds and ASX's mFund Settlement Service) and platform operators need to keep pace with consumer expectations. IDPS operators are seeing a move from platforms being an intermediated proposition only to both an intermediated and direct proposition. Mobile functionality was also mentioned by most platform operators we reviewed as being a high-priority development area;

(f) the market could potentially increase as a result of growth in the uptake of platforms by SMSFs and in demand for investments suitable for retirement; and

(g) more sophisticated investment options and expanded investments lists were being demanded, not only by advisers but also by end clients accessing the platforms without an adviser. This gave rise to concerns about the disclosure that will be necessary in the platform industry.

129 We will grant individual relief from specific class order requirements and other obligations on a case-by-case basis to address any regulatory burden faced by the platform industry. The Financial System Inquiry is currently considering the effect of increased competition, vertical integration and barriers to entry in the industry. We expect industry to act to manage conflicts of interest, mitigate risks and provide appropriate disclosure to investors.

Key terms

Term	Meaning in this document
ADI	Authorised deposit-taking institutions—has the meaning given in s5 of the *Banking Act 1959*
advice	Financial product advice
advice provider	A person to whom the obligations in Div 2 of Pt 7.7A of the Corporations Act apply when providing personal advice to a client. This is generally the individual who provides the personal advice. However, if there is no individual that provides the advice, which may be the case if advice is provided through a computer program, the obligations in Div 2 of Pt 7.7A apply to the legal person that provides the advice (e.g. a corporate licensee or authorised representative)
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services Note: This is a definition contained in s761A.
AFS licensee	A person who holds an AFS licence under s913B of the Corporations Act Note: This is a definition contained in s761A.
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
authorised representative	A person authorised by an AFS licensee, in accordance with s916A or 916B of the Corporations Act, to provide a financial service or services on behalf of the licensee Note: This is a definition contained in s761A.
client	Includes a retail client as defined in s761G of the Corporations Act and Div 2 of Pt 7.1 of Ch 7 of the Corporations Regulations
[CO 07/763] (for example)	An ASIC class order (in this example numbered 07/763)
complaint	Has the meaning given in AS ISO 10002/2006
Corporations Act	*Corporations Act 2001*, including regulations made for the purposes of that Act
custodian (in relation to a platform)	A person (who may be the platform operator, but not the platform investor) that holds property through a platform
disclosure document	For an offer of securities, this includes a prospectus, a profile statement and an offer information statement

Term	Meaning in this document
dispute	Has the same meaning as complaint
financial product	Generally, a facility through which, or through the acquisition of which, a person does one or more of the following: • makes a financial investment (see s763A); • manages financial risk (see s763C); or • makes non-cash payments (see s763D) Note: This is a definition contained in s763A of the Corporations Act: see also s763B-765A
financial product advice	A recommendation or a statement of opinion, or a report of either of these things, that: • is intended to influence a person or persons in making a decision about a particular financial product or class of financial product, or an interest in a particular financial product or class of financial product; or • could reasonably be regarded as being intended to have such an influence. This does not include anything in an exempt document Note: This is a definition contained in s766B of the Corporations Act
financial service	Has the meaning given in Div 4 of Pt 7.1 of the Corporations Act
financial services business	A business of providing financial services Note: This is a definition contained in s761A. The meaning of 'carry on a financial services business' is affected by s761C
Financial Services Guide (FSG)	A document required by s941A or 941B to be given in accordance with Div 2 of Pt 7.7 of the Corporations Act Note: This is a definition contained in s761A
financial services provider	A person who provides a financial service
FOFA	Future of Financial Advice
FSI interim report	*Financial System Inquiry: Interim report*, June 2014
IDPS	Investor directed portfolio service, as defined in [CO 13/763]
IDPS Guide	A document provided by an IDPS operator instead of a PDS to help retail clients decide whether they should use the IDPS
IDPS-like scheme	Investor-directed-portfolio-services-like scheme, as defined in [CO 13/762]
NTA	Net tangible assets, as defined in RG 166

Term	Meaning in this document
operator (of a platform)	A public company that is a holder of an AFS licence that is authorised to operate a platform or a function that forms part of the platform
platform	Investor directed portfolio services (IDPS) and IDPS-like schemes Note: This term does not extend to nominee and custody services, as defined in RG 149, superannuation master trusts or other superannuation funds, self-managed superannuation funds or managed discretionary account services, as defined in RG 179.
platform operator	An operator of an IDPS or the responsible entity of an IDPS-like scheme
Product Disclosure Statement (PDS)	A document that must be given to a retail client in relation to the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act Note: See s761A for the exact definition.
retail client	A client as defined in s761G of the Corporations Act and Ch 7, Pt 7.1, Div 2 of the Corporations Regulations
representative of an AFS licensee	Means: • an authorised representative of the licensee; • an employee or director of the licensee; • an employee or director of a related body corporate of the licensee; or • any other person acting on behalf of the licensee Note: This is a definition contained in s910A
RG 148 (for example)	An ASIC regulatory guide (in this example numbered 148)
RSE licence	Registrable superannuation entity licence (granted by APRA)
s766E (for example)	A section of the Corporations Act (in this example numbered 766E), unless otherwise specified
SMSF	Self-managed superannuation fund
superannuation master trust	A superannuation fund that has an obligation to give documents to retail clients under s1012IA

Related information

Headnotes

advice provider, AFS licence, breach reporting, conflicts of interest policy, disclosure, fees and costs, financial product advice, IDPS, IDPS-like scheme, investor directed portfolio service, managed investment scheme, platform operator, platform, SMSF, superannuation, unadvised client, voting rights

Class orders

[CO 13/760] *Financial requirements for responsible entities and operators of investor directed portfolio services*

[CO 13/761] *Financial requirements for custodial or depository service providers*

[CO 13/762] *Investor directed portfolio services provided through a registered managed investment scheme*

[CO 13/763] *Investor directed portfolio services*

[CO 13/797] *Platform operators and trustees of superannuation entities using an agent to give a Product Disclosure Statement*

Regulatory guides

RG 78 *Breach reporting by AFS licensees*

RG 97 *Disclosing fees and costs in PDSs and periodic statements*

RG 148 *Platforms that are managed investment schemes*

RG 166 *Licensing: Financial requirements*

RG 179 *Managed discretionary account services*

RG 181 *Licensing: Managing conflicts of interest*

Legislation

Corporations Act, s601FA, 601FC, 912D, 961J, and 962K

Corporations Regulations 2001, Sch 10

Corporations Amendment (Future of Financial Advice) Act 2012

Corporations Amendment (Further Future of Financial Advice Measures) Act 2012

Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014 (currently subject to a motion to disallow), reg 7.7A.7

Superannuation Industry (Supervision) Act 1993

Consultation papers and reports

CP 176 *Review of ASIC policy on platforms: Update to RG 148*

REP 398 *Fee and cost disclosure: Superannuation and managed investment products*

Information sheets

INFO 197 *Fee and cost disclosure requirements for superannuation trustees*

Prudential standards

SPS 521 *Conflicts of interest*

SPS 530 *Investment governance*