



ASIC

Australian Securities & Investments Commission

CONSULTATION PAPER 42

**Draft s1013DA guidelines:
Disclosure about labour standards
and environmental, social and
ethical considerations in product
disclosure statements (PDS)**

September 2003

Your comments

You are invited to comment on the proposals and issues for consideration in this paper.

Comments are due by Wednesday 15th October 2003 and should be sent to:

**Ms Delia Rickard
Deputy Executive Director
Consumer Protection
Australian Securities & Investments Commission
GPO Box 9827
CANBERRA CITY, ACT 2601
or to Delia.Rickard@asic.gov.au**

All submissions will be treated as public documents unless they are clearly marked as confidential.

What these draft guidelines are about?

These draft guidelines help product issuers meet their product disclosure statement (PDS) obligations to disclose how labour standards or environmental, social or ethical issues are considered in selecting, retaining or realising an investment. They are designed to:

- (a) provide consumers with better disclosure to:
 - (i) enhance their ability to compare products; and
 - (ii) select the product that best matches any goals they may have regarding the consideration of these matters in the making of investment decisions for the product;
- (b) provide industry with greater certainty about how it can meet the new disclosure requirements without inhibiting developments in this area or product design and without being commercially unrealistic or exposing product issuers to unreasonable levels of risk; and
- (c) ensure that products are 'true to label' and do what they say they do.

Like ASIC Policy Statement 168¹ and the IFSA Guidance Note on this issue², these guidelines are designed to facilitate:

- transparency – providing consumers with sufficient relevant information to understand the approach of a fund to these issues;
- accuracy – ensuring information presented or omitted does not create a misleading or deceptive impression;
- comprehensibility – presenting information in a simple and concise manner, recognising that too much information is as potentially problematic for consumers as too little; and
- comparability – presenting information in a manner which allows consumers to compare different products.

Because this is a new area of disclosure we have deliberately adopted a non-prescriptive, principles-based approach. We will review the final Guidelines, in light of market conduct, around 11 March 2006, to ensure that the guidelines meet our objectives.

¹ ASIC Policy Statement 168: Product Disclosure Statements (and other obligations).

² IFSA Guidance Note No.14.00: Socially Responsible Investment Disclosure, February 2003

Where the product issuer does not take into account labour standards or environmental, social or ethical issues when selecting, retaining or realising an investment, the regulations make it clear that the PDS must explicitly state this.

These guidelines don't set out what constitutes a labour standard or environmental, social or ethical consideration. Nor will we be prescribing the methodology for taking these issues into account.

The guidelines do, however, make it clear that you must disclose which issues you take into account and how. If you have no predetermined approach then this too must be clear. They also make it clear that the more a product is marketed on the basis that such matters are taken into account, the more detail is required.

The guidelines take account of the feedback we received to our December 2002 discussion paper and other consultations.

We invite you to comment on these draft guidelines by Wednesday 15th October 2003. We will then seek to issue final guidelines as soon as possible. Transitional arrangements will apply.

Contents

What these draft guidelines are about?.....	3
A Our draft guidelines.....	5
1. Applying these guidelines.....	5
2. Disclosing the issues you take into account	7
3. Disclosing how far issues are taken into account	9
4. Disclosing retention and realisation policies	11
5. Secondary sources.....	11
6. Transitional arrangements.....	12
B Developing our guidelines	13
Legislative framework.....	13
Industry practice	14
Monitoring and enforcement: PS 168	17
Your feedback.....	19
What happens next?	20
Related information.....	21
Legislative requirements.....	21
ASIC policies.....	22

A Our draft guidelines

As a product issuer, you must comply with these guidelines, which are made under s1013DA of the Corporations Act.

1. Applying these guidelines

[1.1] These guidelines apply to products with an investment component, including those:

- (b) offering multiple investment options;
- (c) made up of different asset classes;
- (d) where the issuer devolves all or part of the investment decisions to others.

[1.2] Where labour standards, or environmental, social or ethical issues are *not* taken into account to select, retain or realise an investment, the Corporations Regulations state that the PDS *must* explicitly state this.

Products with an investment component (investment products)

[1.3] These guidelines apply to all products with an investment component (investment products) where their Product Disclosure Statement (PDS) claims that labour standards or environmental, social or ethical issues are taken into account in selecting, retaining or realising the investment.

[1.4] A 'product with an investment component' includes superannuation products, managed investments, and investment life insurance.

[1.5] You may seek your own legal advice on whether other products are 'products with an investment component'.

Question 1

Do you think more information is needed on how the guidelines apply to certain product types? What product types need this further information and why?

[1.6] The guidelines are not limited to those funds which market/promote themselves as taking into account labour standards, or environmental, social or ethical issues.

Products offering multiple investment options

[1.7] For products offering multiple investment products or options, these guidelines apply separately to each product or option. This means that a PDS covering multiple products or options should disclose, for each product or option, which labour standards or environmental, ethical or social issues are taken into account and to what extent. See also paragraph [1.10] below.

[1.8] It does *not* mean that a separate PDS is required for each investment product or option (unless it is required under Part 7.9 of the Corporations Act 2001).

Question 2

Should our approach differ depending on the nature of the investment option (eg underlying fund, multi-manager option) or the nature of the vehicle (eg master trust, investor directed portfolio service) through which the option is offered? If so, please explain why and how.

Products made up of different asset classes

[1.9] If the extent to which labour standards or environmental, ethical or social issues are taken into account *varies* between asset classes, you must disclose:

- (a) The benchmark percentage of the investment product each asset class makes up (eg 20% is invested in property; 40% in Australian shares and 40% in international shares); and
- (b) The nature and extent of the variation (eg "The environmental considerations listed are only considered for Australian and International shares. We do not apply them to our property investments.").

Product issuers who devolve all or part of the investment decisions to others

[1.10] Positive disclosure about how far labour standards or environmental, social or ethical issues are taken into account is required wherever such matters are considered in selecting, retaining or realising investments sold to retail consumers. It does not matter who takes these issues into account:

- (a) the product issuer or a delegate of the product issuer (eg an investment manager); or
- (b) the issuer or manager of an underlying financial product where the product issuer has responsibility for the investments (eg where the underlying product is an investment option offered by a superannuation trustee's PDS).

[1.11] If the product issuer does *not* take account of these issues but is aware, or ought reasonably to be aware, that another person does, *and* the product issuer's PDS is the only PDS the consumer will receive about that particular investment (ie disclosure is not being made by a separate PDS), then the product issuer should disclose these issues.

Question 3

Is this guidance about the disclosure obligations applying to devolved investment decisions clear enough and, if not, why not?

2. Disclosing the issues you take into account

Labour standards

[2.1] If labour standards are or may be taken into account in selecting, retaining and realising an investment, the PDS must have information on what those labour standards are.

[2.2] You must also make clear to consumers:

- (a) if there is no predetermined view about taking into account labour standards and/or what is regarded as a labour standard; or
- (b) if there is no predetermined view other than you will or may take into account a labour standard issue you become aware of, that financially affects the investment.

Environmental, social or ethical issues

[2.3] If any of these three categories of issues are or may be taken into account in selecting, retaining or realising an investment, the PDS must set out:

- (a) *which* of these specific considerations are or may be taken into account (where you know them); and
- (b) the *actual* environmental, social or ethical issues taken into account.

[2.4] Where you take into account only one or two of the three categories, you must not give the impression that you take into account all three. For example, if you take into account social and ethical, but not environmental issues, your disclosure must not give the misleading impression that you do take into account environmental issues.

[2.5] You must also make clear to potential customers:

- (a) if you have no predetermined view about taking into account these issues nor what issues are taken into account; or
- (b) you have no predetermined view other than you will or may take into account environmental, social or ethical issues you become aware of, if they financially affect the investment.

How detailed should your description of your issues be?

[2.6] How detailed your disclosure of labour standards, environmental, social or ethical issues should be will vary from product to product. To help you, follow the principles below.

- (a) The s1013D test requires that the PDS must include such information as ‘a person would reasonably require for the purpose of making a decision, as a retail client, whether to acquire the financial product’.
- (b) The more a product is marketed on the basis that such matters are taken into account in investment decisions, the more detail is required.
- (c) If a PDS claims investment decisions are based on goals about labour standards or environmental, social or ethical issues, you should disclose at least some ways of measuring how far such goals are met, or the fact that you use no specific measures.

For example, if a PDS states that the product issuer only invests in companies with good labour relations, they must either:

- also mention at least some of the criteria by which they (or an external provider or ratings mechanism) measure this (eg number of strike days, above award conditions etc); or
 - make it clear that there are no specific considerations used for measuring this.
- (d) Section 1013F states that information doesn’t have to be included in a PDS if it would not be reasonable for a retail client deciding whether to buy the product to expect to find the information in the

statement. Reasonableness here must be assessed from the retail client's perspective, not the product issuer's perspective.

- (e) You must take care in all cases to adequately define the terms used and to explain whether a policy is absolute or subject to qualifications. No claims should be misleading or deceptive. For example:

If the claim is made that no investment is made in companies associated with product X, the disclosure should clarify whether this negative screen is limited to companies that are directly associated with product X (eg they manufacture, mine or grow it) or extends to companies that have indirect associations with it (eg they transport or retail it).

- (f) Where a particular standard or issue is commonly known by a numerical or other non-descriptive formal title, you must include a brief description of its subject matter.

3. Disclosing how far issues are taken into account

[3.1] The legislation requires you to disclose 'the extent to which', in other words, how far labour standards or environmental, social or ethical issues are taken into account. This involves:

- (a) the *methodology* for taking the standard/s into account where one exists; and
- (b) the *weight* given to the standard, where a weightings system is used.

Labour standards

[3.2] You must include in the PDS a general description about how far the labour standards are taken into account or, a clear statement that there is no specific methodology, if that is the case.

[3.3] For example, a PDS may say that the fund manager will lobby companies in which investments are made to follow labour practice X, or that the fund will only invest in companies that follow labour practice X.

[3.4] If you use a weightings system, you must also include a general description of that.

Environmental, social or ethical issues

[3.5] You must include in the PDS a general description about how the considerations are taken into account or, a clear statement that there is no specific methodology, if that is the case.

[3.6] For example, the PDS could say that the fund manager will lobby companies in which investments are made not to have any association with product X, or that the fund will only invest in companies that have no association with product X.

[3.7] If you use a weightings system, you must also include a general description of that.

How detailed should your description of how far you take such issues into account, be?

[3.8] How detailed this type of disclosure should be, will vary from product to product. To help you, follow the principles below.

- (a) The s1013D test requires that the PDS must include such information as ‘a person would reasonably require for the purpose of making a decision, as a retail client, whether to acquire the financial product’.
- (b) The more a product is marketed on the basis that such matters are taken into account in investment decisions, the more detail is required.
- (c) At a minimum, a consumer should be given general information about how the product issuer takes account of these issues and whether or not their approach is based on some predetermined methodology.
- (d) In most cases you won’t need to disclose specific details of very complex weighting systems that vary by sectors, but you may wish to consider referring potential consumers to a secondary source for such detail along with other more intricate details about the system used. (See paras 5.1 & 5.2.)
- (e) Where you use an external provider or ratings mechanism you may need to identify the external provider and state where consumers can find out more about the external service provider’s approach. Subject to s1013K³, the PDS should provide the consumer with enough information about the approach of the

³ Under s1013K, a PDS must only include a statement made by a person, or a statement said in the PDS to be based on a statement made by a person if certain requirements are met (in particular, consent of the person who made the statement).

external provider or rating mechanism for the consumer to have a general understanding of the approach taken.

- (f) Section 1013F states that information doesn't have to be included in a PDS if it would not be reasonable for a retail client deciding whether to buy the product to expect to find the information in the statement. Reasonableness here must be assessed from the retail client's perspective, not the product issuer's perspective.
- (g) You must take care to adequately define the terms used and to explain whether a policy is absolute or may be subject to qualifications. Any claims made must not be misleading or deceptive.

4. Disclosing retention and realisation policies

[4.1] Where a PDS claims to take into account labour standards or environmental, social or ethical issues, your description of the methodology for taking these issues into account must include:

- (a) a general description of how compliance with the methodology for taking such issues into account will be monitored or reviewed, or, a statement that you have no set approach to monitoring or review, if that is the case;
- (b) the timeframe, if you have a set time for monitoring or reviewing investments or, a statement that there is no such time-frame, if that is the case;
- (c) a general description about what will or may occur when an investment no longer matches the stated investment policy and within what time frame — or a clear statement that the approach is determined case by case, or the time frame is not fixed, if this is the case.
- (d) You must take care to adequately define the terms used and to explain whether a policy is absolute or subject to qualifications. Claims made must not be misleading or deceptive.

5. Secondary sources

[5.1] Some product issuers may want to refer consumers with special information needs to a secondary source for further detail on their approach to taking into account labour standards or environmental, social or ethical issues. Such consumers may, for example, want more details on the external agency, ratings system or index used, the weightings system used or lists of investments actually made.

[5.2] The PDS must contain all the information that a person would reasonably require for the purpose of making a decision, as a retail client, whether to acquire the financial product. Once this requirement is satisfied, however, you can refer consumers to secondary sources for information. Tell consumers in the PDS where they can access this additional information.

6. Transitional arrangements

[6.1] These guidelines apply to all PDSs:

- (a) dated on or after 11 March 2004; or
- (b) supplemented, on or after 11 March 2004, by a supplementary product disclosure statement; or
- (c) given to a person on or after 11 March 2005.

[6.2] Section 1013D(1)(l) and its supporting regulations may apply to a PDS *before* these guidelines. In that case, you must comply with this section and the regulations, even though these guidelines may not yet apply to the PDS.

Question 4

Are there specific problems with PDSs supplemented on or after 11 March 2004? If so, what are they and how might they be addressed?

B Developing our guidelines

Part B provides general background and is NOT part of the s1013DA guidelines

Legislative framework

As part of the Financial Services Reforms in Chapter 7 of the Corporations Act, (the Act), product issuers must give consumers a Product Disclosure Statement (PDS) before they buy certain financial services/products. This is the key disclosure document telling consumers about the features of a product, including costs, benefits and risks.

Disclosure on labour standards, environmental, social or ethical issues

Subsection 1013D (1) sets out what must be disclosed in a PDS. Section 1013D(1)(l) provides that if the product has an investment component, the PDS must include disclosure about:

the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of the investment.

In this context, products with an investment component:

include superannuation products, managed investment products and investment life insurance products.(s1013D(2A)).

Regulation 7.9.14C requires actual disclosure on this issue, whether or not these matters are taken into account (see Appendix 1). Thus, where labour standards, environmental, social or ethical issues are *not* taken into account in selecting, retaining or realising investments for a product, the PDS must include a clear statement that this is the case.

The regulations also require that the product issuer must make it clear *which* labour standards, environmental, social or ethical issues they take into account, and *the extent to which (how far)* they take them into account in selecting, retaining or realising an investment.

Section 1013DA of the Act gives ASIC the power to develop guidelines that must be complied with where a product disclosure statement makes any claim that labour standards or environmental,

social or ethical considerations are taken into account in selecting, retaining or realising an investment.

Other disclosure requirements

While these guidelines focus on s1013D(1)(l), PDSs must also comply with Part 7.9 of the Corporations Act. Such requirements include that information must be up to date (s.1012J) and worded and presented in a clear, concise and effective manner (s.1013C(3)).

For further guidance on PDS disclosure see ASIC Policy *Statement 168: Product Disclosure Statements (and other obligations)*. This policy sets out the principles of good disclosure:

- (a) Disclosure should be timely.
- (b) Disclosure should be relevant and complete.
- (c) Disclosure should promote product understanding — (for example, product issuers should try to avoid using industry jargon but, if this cannot be avoided then they should explain its meaning).
- (d) Disclosure should promote comparison.
- (e) Disclosure should highlight important information.
- (f) Disclosure should have regard to consumers' needs.⁴

Industry practice

More and more product issuers are taking into account labour standards or environmental, social or ethical issues as part of investment management. Different motivations for this move include:

- (a) the desire to choose investments that will perform well financially;
- (b) relatedly, the belief that an understanding of how far labour standards or environmental, social or ethical issues are complied with or practised by a company will enable a better assessment of the opportunities and risks posed by a particular investment;
- (c) the desire to provide investment products which match investors' views about the type of world in which they wish to live.

⁴ PS 168.10

Selecting standards and considerations

Just which labour standards or environmental, social or ethical considerations funds may wish to consider is the subject of much international discussion and work. It is an evolving field and, in some areas, highly subjective.

There are numerous documents/codes/ standards which product issuers can have regard to when designing their products. Some of these were primarily designed to assist with triple bottom line reporting requirements but have been adapted for investment strategy purposes. Examples of key international documents setting out standards and considerations, that some investment funds have sought to assess and measure, include the Global Reporting Initiative⁵, standards promulgated by Standards International, International Labour Organisation (ILO) Standards and United Nations Declarations.

It is up to each product issuer to determine which issues, if any, they will take into account, but where they do, they should clearly tell consumers what particular labour standards or environmental, social or ethical issues they take into account.

Methodologies

Product issuers can also choose from many different methodologies. Such methodologies are also going through a process of evolution. Again, we don't intend to inhibit a fund manager's choice of methodology. Our guidelines simply make clear that the PDS should disclose whether or not there is a methodology and, if there is, provide sufficient explanation of what that methodology is for consumers to understand the approach taken, and have enough information on which to base a decision.

Many funds employ more than one methodology. Common methodologies include:

- (a) **Engagement** approaches where the fund actively dialogues with companies and/or uses its voting rights and other sources of influence to exert pressure on the company to do, or not do, particular things.
- (b) **Investment Governance** approaches which identify environmental, social and corporate governance risks and opportunities of present and future investments and actively informs relevant stakeholders of these matters.

⁵ <http://globalreporting.org>

- (c) **Negative screens** where the fund does not invest in companies involved with certain named activities.
- (d) **Positive screens** where funds seek to invest in companies that engage in what are seen as desirable practices.
- (e) **Preference strategies** where fund managers work to a list of guidelines or criteria that companies invested in should meet. This approach can involve elements of other methodologies.
- (f) **Best of sector** approaches where the fund invests in companies that are the best performers in their sector as measured against a range of specified indicators.
- (g) **Index based** approaches that construct portfolios using established indices of environmentally and socially responsible companies.

Some product issuers may have **no predetermined approach** for considering these issues even though they may consider them from time to time. In such cases there may not be a predetermined specific set of issues that the fund looks at or a specific methodology for assessment of such matters.

Investment product categories

For the purposes of these disclosure requirements, investment products can be broadly divided into three groups:

- (i) Those that don't consider labour standards or environmental, social or ethical considerations at all. Products in this group are likely to be few, but may, for example, include some index funds. These products are required by regulation 7.9.14(C) (a) & (b) to include in their PDS an explicit statement that they do not take account of labour standards or environmental, ethical or social considerations.
- (ii) Those that consider these matters to the extent they impact on the financial value of an investment, but don't advertise or promote themselves on the basis of their consideration of such matters. The vast majority of funds will be in this group.
- (iii) Those that advertise themselves on the basis of their consideration of these issues.

Our guidelines focus on groups (ii) and (iii). Because the disclosure requirements apply equally to both groups, our guidelines don't try to distinguish between them except that the more a product is marketed on the basis of its consideration of these issues, the more detail will be required about what exactly it takes account of and how.

Group (ii) product issuers, should not overstate how far they take into account any of these issues. Consumers who wish to purchase investment products on the basis of their consideration of labour standards or environmental, social or ethical considerations should be able to easily determine the extent of the focus on these matters by a fund. An impression should not be created that there is a greater focus than exists in reality.

Where should disclosure appear in the PDS?

We envisage this disclosure should appear in the section dealing with investment strategy (rather than, say, in a general information section). This is to ensure that it is close to other information about investments. If all product issuers were to adopt this approach to placement it would help consumers compare products and options more easily.

At times different approaches apply to different investment options offered within the one PDS. For example, a PDS could cover:

- (a) options that systematically take into account these issues;
- (b) options that only take them into account from time to time where they have a financial impact; and
- (c) options that don't take into account these issues.

In such cases, including section 1013D(1)(l) disclosure in discussion of each investment option may help to limit consumer confusion.

Question 6

Does the suggested approach on location cause any practical problems for product issuers and, if so, what are these problems and how might our suggested approach be changed to deal with them? Should this issue be covered here or in the actual s1013DA guidelines themselves?

Monitoring and enforcement: PS 168

A breach of these guidelines could result in a PDS being considered defective. Our approach to monitoring PDSs and enforcing PDS requirements is set out in Part C of our Policy Statement 168 *Disclosure: Product Disclosure Statements (and other disclosure obligations)*.

Briefly, we intend to conduct selective compliance reviews of PDSs to determine whether they comply with the PDS requirements, including

the requirements set out in these guidelines. In particular, we may review PDSs that:

- (a) we categorise as open to compliance risk;
- (b) if we receive credible information from an external source about a PDS that warrants undertaking a review; or
- (c) at random.

In PS 168 we note that where we detect, or are made aware of, valid prima facie disclosure concerns about a PDS, we may notify the issuer of our concerns before serving an interim stop order. However, if delay could be prejudicial to the public interest, we will impose an interim stop order without consulting the issuer, pending resolution of our concerns at a hearing. It is our view that the public interest in this context can encompass non-financial concerns.

We will take enforcement action on a particular PDS if the PDS appears to:

- (a) be misleading or deceptive – including the overall impression given about the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of an investment;
- (b) not contain all relevant information; and
- (c) not meet the other general and specific content requirements of Part 7.9, including Part 3 of this document.

Your feedback

In addition to the questions throughout this document, we invite your feedback on any aspect of the draft guidelines. In particular, we are also interested to know:

Question 7

Does anything in the draft guidelines cause any practical problems for product issuers and, if so, what are these problems and how might our suggested approaches be changed to address them? Wherever possible, please provide a quantitative and/or qualitative indication of what you consider to be the costs/disadvantages of any approach disagreed with and the costs/benefits of your alternative from the point of view of product issuers and consumers.

Question 8

We seek your views about whether standardised disclosure can, or should, be developed for those situations where there is no predetermined approach for which matters are taken into account and/or no predetermined approach for how they are taken into account. If you believe that such standardised disclosure should be developed please provide examples of what you think good disclosure in these circumstances should look like.

What happens next?

Your comments on our draft guidelines are due by Wednesday 15th October 2003. During this consultation period we are happy to discuss the draft guidelines with interested parties. Once submissions have been received and considered we will finalise the guidelines and release them at the earliest opportunity. At around 11 March 2006, we will review the guidelines in the light of market conduct.

Related information

Legislative requirements

Part 7.9 Corporations Act 2001

Section 1013D(1) Subject to this section, subsection 1013C(2) and section 1013F, a Product Disclosure Statement must include the following statements, and such of the following information as a person would reasonably require for the purpose of making a decision, as a retail client, whether to acquire the financial product:

- (1) if the product has an investment component, the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of the investment.

Section 1013D(2A) For the purposes of paragraph (1)(1), products which have an investment component include superannuation products, managed investment products and investment life insurance products.

Section 1013DA ASIC may develop guidelines that must be complied with where a Product Disclosure Statement makes any claim that labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of the investment.

Corporations Regulations 2001

7.9.14C Labour standards and environmental, social and ethical considerations

For paragraph 1013D(4)(c) of the Act, the more detailed information to be included in a Product Disclosure Statement about the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection retention or realisation of an investment is:

- (a) a statement that the product issuer does, or does not, take into account labour standards for the purpose of selecting, retaining or realising the investment; and

- (b) a statement that the product issuer does, or does not, take into account environmental, social or ethical considerations for the purpose of selecting, retaining or realising the investment; and
- (c) if the Product Disclosure Statement includes a statement that the product issuer does take into account labour standards for the purpose of selecting, retaining or realising the investment – a statement outlining:
 - (i) the standards that the product issuer considers to be labour standards for that purpose; and
 - (ii) the extent to which the product issuer takes those standards into account in the selection, retention or realisation of the investments; and
- (d) if the Product Disclosure Statement includes a statement that the product issuer does take into account environmental, social or ethical considerations for the purpose of selecting, retaining or realising the investment – a statement outlining:
 - (i) the considerations that the product issuer regards as environmental, social or ethical considerations for that purpose; and
 - (ii) the extent to which the product issuer takes those considerations into account in the selection, retention or realisation of the investment.

ASIC policies

Policy Statement 168 *Disclosure: Product Disclosure Statements (and other disclosure obligations)*

Policy Statement 175 *Licensing: Financial product advisers — Conduct and disclosure* — in particular [PS 175.110]