



ASIC

Australian Securities & Investments Commission

CONSULTATION PAPER 254

Regulating digital financial product advice

March 2016

About this paper

This consultation paper sets out ASIC's proposed approach to the regulation of digital financial advice in Australia.

We are seeking the views of Australian financial services (AFS) licensees and their representatives who provide financial product advice to retail clients, and other interested parties.

Specifically, we are seeking feedback on our proposals relating to:

- how the organisational competence obligation applies to AFS licensees in a digital advice context; and
- how AFS licensees should monitor and test the algorithms underpinning digital advice.

We have set out our proposed guidance in the draft regulatory guide attached to this paper.

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.

Document history

This paper was issued on 21 March 2016 and is based on the Corporations Act as at the date of issue.

Disclaimer

The proposals, explanations and examples in this paper do not constitute legal advice. They are also at a preliminary stage only. Our conclusions and views may change as a result of the comments we receive or as other circumstances change.

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The consultation process

You are invited to comment on the proposals in this paper, which are only an indication of the approach we may take and are not our final policy.

As well as responding to the specific proposals and questions, we also ask you to describe any alternative approaches you think would achieve our objectives.

We are keen to fully understand and assess the financial and other impacts of our proposals and any alternative approaches. Therefore, we ask you to comment on:

- the likely compliance costs;
- the likely effect on competition; and
- other impacts, costs and benefits.

Where possible, we are seeking both quantitative and qualitative information.

We are also keen to hear from you on any other issues you consider important.

Your comments will help us develop our policy on providing digital financial product advice to retail clients. In particular, any information about compliance costs, impacts on competition and other impacts, costs and benefits will be taken into account if we prepare a Regulation Impact Statement: see Section D, 'Regulatory and financial impact'.

Making a submission

You may choose to remain anonymous or use an alias when making a submission. However, if you do remain anonymous we will not be able to contact you to discuss your submission should we need to.

Please note we will not treat your submission as confidential unless you specifically request that we treat the whole or part of it (such as any personal or financial information) as confidential.

Please refer to our privacy policy at www.asic.gov.au/privacy for more information about how we handle personal information, your rights to seek access to and correct personal information, and your right to complain about breaches of privacy by ASIC.

Comments should be sent by 16 May 2016 to:

Brooke Stewart
Senior Analyst
Financial Advisers
Australian Securities and Investments Commission
email: brooke.stewart@asic.gov.au

What will happen next?

| | | |
|----------------|---------------|--|
| Stage 1 | 21 March 2016 | ASIC consultation paper released |
| Stage 2 | 16 May 2016 | Comments due on the consultation paper |
| Stage 3 | August 2016 | Regulatory guide released |

A Background to the proposals

Key points

The provision of digital advice has grown rapidly in Australia since 2014, with a number of start-up Australian financial services (AFS) licensees and existing AFS licensees developing digital advice models.

ASIC supports the development of a healthy and robust digital advice market in Australia. We believe that digital advice has the potential to offer a convenient and low-cost advice service to clients.

While the law is technology neutral, the provision of digital advice raises some unique policy issues. These include:

- how the organisational competence obligation should apply in a digital advice context; and
- the steps AFS licensees should take to monitor and test the algorithms underpinning digital advice.

We are consulting on a number of proposals and seek your feedback on our approach to the regulation of digital advice, as set out in the draft regulatory guide attached to this paper.

Note: See the 'Key terms' in the draft regulatory guide for a list of terms and definitions used in this paper.

Digital advice in Australia

- 1 Digital advice (also known as 'robo-advice' or 'automated advice') is the provision of automated financial product advice using algorithms and technology and without the direct involvement of a human adviser. It can comprise general or personal advice, and range from advice that is narrow in scope (e.g. advice about portfolio construction) to comprehensive financial product advice.
- 2 The provision of digital advice has grown rapidly in Australia since 2014, with a number of start-up Australian financial services (AFS) licensees and existing AFS licensees developing digital advice models. We expect this growth to continue.
- 3 ASIC supports the development of a healthy and robust digital advice market in Australia. In an environment where only around 20% of adult Australians seek personal advice, we think that digital advice has the potential to offer an attractive, convenient and low-cost advice service to clients who may not otherwise seek financial advice.

Note 1: 'Personal advice' is defined in s766B(3) of the *Corporations Act 2001* (Corporations Act) as: 'financial product advice given or directed to a person (including by electronic means) in circumstances where the provider of the advice has considered

one or more of the client’s objectives, financial situation and needs; or a reasonable person might expect the provider to have considered one or more of these matters’.

Note 2: In this paper, references to ‘client’ mean ‘retail client’, as defined in s761G of the Corporations Act and Div 2 of Pt 7.1 of Ch 7 of the Corporations Regulations 2001.

Our proposed guidance to assist digital advice providers

Proposal

- A1 We propose to release draft Regulatory Guide 000 *Providing digital financial product advice to retail clients* (RG 000) to assist digital advice providers in complying with the law.

Your feedback

- A1Q1 Overall, is the proposed guidance helpful? If not, why not?
- A1Q2 Is our proposed guidance (in Section D of the draft regulatory guide) helpful in assisting digital advice providers to provide scaled advice that is in the best interests of clients? If not, why not?

Rationale

- 4 ASIC has spoken with a number of AFS licensees and their authorised representatives that provide digital advice to retail clients. We have also spoken with financial technology (fintech) start-up businesses that are considering whether to become an AFS licensee or an authorised representative of an AFS licensee. From these discussions, it has become clear that industry would benefit from additional guidance that deals specifically with digital advice.

Note: In this paper, we use the term ‘digital advice’ to mean digital advice provided to retail clients.

- 5 To assist those providing, or intending to provide, digital advice—and to ensure a level playing field in the industry—ASIC has developed draft Regulatory Guide 000 *Providing digital financial product advice to retail clients* (RG 000). Our draft regulatory guide generally builds on existing ASIC guidance and does not introduce new regulatory concepts. This is because the law is technology neutral, and the obligations applying to the provision of traditional (i.e. non-digital) financial product advice and digital advice are the same.
- 6 The proposed guidance therefore provides a convenient starting point for those who are seeking to understand their regulatory obligations in relation to providing digital advice. However, providers will also have to consider other ASIC regulatory guidance relevant to the provision of financial product advice.

7 The draft regulatory guide also sets out our proposed guidance on some of the more difficult areas where there is current regulatory uncertainty about the provision of digital advice. These areas include:

- (a) how the organisational competence obligation in s912A(1)(e) of the Corporations Act should apply to digital advice licensees;

Note: In this paper, we use the term ‘digital advice licensee’ to refer to an AFS licensee offering digital advice to retail clients. It may be the licensee itself or its authorised representatives that provide the advice service.

- (b) what steps digital advice licensees should take to monitor and test the algorithms underpinning the advice; and
- (c) how digital advice providers can comply with the best interests duty in s961B of the Corporations Act when providing ‘scaled advice’ (i.e. personal advice that is limited in scope).

Note 1: In this paper, ‘digital advice provider’ refers to the person to whom the obligations in Div 2 of Pt 7.7A of the Corporations Act apply when personal advice is provided through a computer program—that is, the legal person that provides the digital advice (e.g. a corporate licensee or authorised representative).

Note 2: References in this paper to sections (s), parts (Pts), and chapters (Chs) are to the Corporations Act, unless otherwise specified.

8 We are keen to receive feedback on the proposed guidance in our draft regulatory guide.

B Complying with the organisational competence obligation

Key points

AFS licensees must comply with the organisational competence obligation in s912A(1)(e) of the Corporations Act.

We propose that, to comply with the organisational competence obligation, digital advice licensees must have at least one responsible manager who meets the minimum training and competence standards for advisers (i.e. natural persons who provide financial product advice to retail clients). These are currently set out in Regulatory Guide 146 *Licensing: Training of financial product advisers* (RG 146). This proposal will ensure that at least one responsible person within the digital advice licensee holds this level of competence.

The minimum training and competence standards for advisers are likely to change. The Government is consulting on proposals to raise the professional, ethical and educational standards of advisers providing personal advice. We do not expect the proposed Government changes to affect our proposed policy.

Our proposed requirements for responsible managers of digital advice licensees

Proposal

B1 We propose to require that a digital advice licensee has at least one responsible manager who meets the minimum training and competence standards for advisers.

To assist existing AFS licensees that may not have a responsible manager who meets these standards, we propose a transition period of six months.

Note: See RG 000.44–RG 000.51 of the draft regulatory guide for more details.

Your feedback

B1Q1 Do you agree with this proposal? Please provide supporting arguments.

B1Q2 Do you agree that, if the changes proposed in the Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015 become law, at least one responsible manager should:

- (a) meet the new higher training and competence standards (i.e. have a degree or equivalent, pass an exam, complete a professional year and undertake continuing professional development); and

(b) comply with the proposed ethical standards (i.e. comply with a code of ethics and be covered by an approved compliance scheme)?

B1Q3 Are there any aspects of the proposed higher training and competence standards in the Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015 that should *not* apply to at least one responsible manager of a digital advice licensee?

B1Q4 Is the proposed transition period of six months long enough for existing AFS licensees to comply with the requirement to have a responsible manager who meets the minimum training and competence standards? If not, why not?

B1Q5 Please provide feedback on any costs or benefits that may apply to your business under the proposal.

Rationale

9 AFS licensees are required under the Corporations Act to:

- (a) maintain competence to provide the financial services covered by their licence (s912A(1)(e)); and
- (b) ensure that their representatives are adequately trained and competent to provide those financial services (s912A(1)(f)).

10 Regulatory Guide 105 *Licensing: Organisational competence* (RG 105) describes what we look for when we assess compliance with the organisational competence obligation in s912A(1)(e).

11 RG 105 requires an AFS licensee to demonstrate that:

- (a) each responsible manager meets one of the five options for demonstrating appropriate knowledge and skills; and
- (b) together, the responsible managers have appropriate knowledge and skills to cover all the financial services and products offered by the licensee.

Note: Each responsible manager needs to be able to demonstrate one of five options in Table 1 of RG 105. The five options are different combinations of training, qualifications and experience for demonstrating that responsible managers have knowledge and skills appropriate to their role: see RG 105.45–RG 105.75.

12 Natural persons who provide financial product advice to retail clients are required to meet minimum training and competence standards for advisers. These minimum standards are currently set out in Regulatory Guide 146 *Licensing: Training of financial product advisers* (RG 146).

13 In a digital advice context, the financial product advice is generated by algorithms, so there is no ‘natural person’ (i.e. human adviser) directly involved in providing the advice. As such, the training and competence standards do not apply.

Note: In this paper, we use the term ‘training and competence standards’ to mean the minimum standards that currently apply to the training and competence of advisers.

- 14 For digital advice licensees to meet the organisational competence obligation in RG 105, we propose to require that a licensee has at least one responsible manager who meets the training and competence standards. This will ensure that at least one person who is responsible for significant day-to-day decisions about the ongoing provision of financial product advice within a digital advice licensee holds this level of competence.
- 15 Our proposal may affect a small number of existing AFS licensees wanting to operate a digital advice business. In most cases involving the provision of financial product advice, at least one responsible manager of an existing AFS licensee will meet the training and competence standards. In a limited number of instances, a licensee may not currently have a responsible manager who meets the training and competence standards. This is because the responsible manager was able to demonstrate their competence under RG 105 by showing they had relevant experience over the previous 10 years.
- 16 To assist AFS licensees wanting to operate a digital advice business, we have proposed a six-month transition period. We think this is enough time for:
- (a) an existing responsible manager to meet the training and competence standards;
 - (b) the licensee to nominate an existing person within the business who meets the training and competence standards to be a responsible manager; or
 - (c) the licensee to recruit a responsible manager who meets the training and competence standards.
- 17 The proposed six-month transition period will start from the date of publication of our final regulatory guide.
- 18 The training and competence standards are likely to change. The Government is currently consulting on proposals to raise the professional, ethical and educational standards of advisers who provide personal advice: see Exposure Draft and Explanatory Material, Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015, released on 3 December 2015.
- 19 If Parliament passes the Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015, natural persons who provide personal advice on financial products—other than basic banking products, general insurance, consumer credit insurance or a combination of any of these products—will be required to meet new higher training and competence standards and new ethical standards.
- 20 In general, they will be required to hold a bachelor’s degree or equivalent qualification, pass an exam, complete a professional year, and meet

continuing professional development requirements. They will also be required to comply with a code of ethics and be covered by an approved compliance scheme that will monitor and enforce compliance with the code of ethics.

- 21 We do not expect that the proposed Government changes to the training and competence standards will affect our proposed policy that at least one responsible manager must meet these standards where personal digital advice is provided. That is, if the current Government proposals are implemented, we believe that at least one responsible manager should hold a degree or equivalent qualification, pass an exam, complete a professional year, and undertake continuing professional development. We also consider that at least one responsible manager should comply with the proposed new ethical standards and be covered by an approved compliance scheme.

C Monitoring and testing digital advice algorithms

Key points

Digital advice providers rely on the use of algorithms to deliver financial product advice to clients.

If there is a problem or an error with an algorithm, a large number of clients may receive poor quality financial advice.

To ensure that good quality advice is provided to clients, digital advice licensees offering digital advice services must ensure that the algorithms underpinning the digital advice are properly designed, monitored and tested.

Our draft regulatory guide outlines the ways in which we think digital advice licensees should monitor and test the algorithms underpinning the digital advice being provided.

Our proposed requirements for monitoring and testing of algorithms by digital advice licensees

Proposal

- c1** We propose to issue guidance on the ways in which we think digital advice licensees should monitor and test the algorithms underpinning the digital advice being provided.

Note: See RG 000.68–RG 000.70 of the draft regulatory guide for more details.

Your feedback

- C1Q1** Do you think we should be more detailed in our guidance on the ways in which we think digital advice licensees should monitor and test algorithms? If so, what additional guidance should we provide?
- C1Q2** Please provide feedback on any costs or savings to your business as a result of this proposed guidance.
- C1Q3** Do you think we should introduce a self-certification requirement which would require digital advice licensees to certify that their algorithms have been adequately monitored and tested?
- C1Q4** Should we require independent third-party monitoring and testing of algorithms? If so, in what circumstances would this be warranted?

Rationale

- 22 Digital advice providers rely on the use of algorithms to deliver financial product advice to clients.
- 23 If there is a problem or an error with an algorithm, a large number of clients may receive poor quality financial advice.

- 24 As part of meeting its general obligations as an AFS licensee, a digital advice licensee must monitor and test the algorithms that underpin the advice. The extent of a licensee's arrangements will depend on the nature, scale and complexity of its digital advice business.

Monitoring and testing algorithms

- 25 In relation to monitoring and testing algorithms, we expect digital advice licensees to:

- (a) have appropriate system design documentation that clearly sets out the purpose, scope and design of their algorithms. Decision trees or decision rules should form part of this documentation, where relevant;

Note: A 'decision tree' uses a tree-like graph or model to display decisions and their possible consequences.

- (b) have a documented test strategy that explains the scope of their testing of algorithms. This should include test plans, test cases, test results, defect resolution (if relevant), and final test results. We expect robust testing of algorithms to occur before advice is first provided to a client, and on a regular basis after that;
- (c) have appropriate processes for managing any changes to an algorithm. This includes having security arrangements in place to monitor and prevent unauthorised access to the algorithm;
- (d) be able to control, monitor and reconstruct any changes to algorithms over a seven-year timeframe;

Note: Where personal advice is provided to retail clients, a digital advice licensee must ensure that records are retained for seven years that show how the licensee has complied with the best interests duty and related obligations in Div 2 of Pt 7.7A of the Corporations Act: see s912G. This requirement was implemented by Class Order [CO 14/923] *Record-keeping obligations for Australian financial services licensees when giving personal advice*. We are currently consulting on our proposed amendments to [CO 14/923] to clarify that AFS licensees must have access to these records during the period in which they are required to be retained—even if the records are retained by another person and that person is no longer authorised by, or related to, the licensee: see Section H in Consultation Paper 247 *Client review and remediation programs and update to record-keeping requirements* (CP 247), issued on 16 December 2015.

- (e) review and update algorithms whenever there are factors that may affect their currency (e.g. market changes and changes in the law);
- (f) have in place controls and processes to suspend the provision of advice if an error within an algorithm is detected; and
- (g) have in place adequate resources, including human and technological resources, to monitor and supervise the performance of algorithms through an adequate and timely review of the advice provided.

Reviewing digital advice

26 We expect digital advice licensees to have in place robust compliance arrangements to monitor and test the quality of advice provided to clients. This means that a sample of the digital advice provided should be reviewed by a human adviser for compliance with the law. This is consistent with our expectations for AFS licensees providing traditional financial product advice.

Note: ASIC has spoken with a number of AFS licensees and their authorised representatives who have been providing, or are intending to provide, digital advice. Many of these digital advice providers have indicated that initially they are—or will be (on commencing operation)—having all of their digital advice reviewed by a human adviser for compliance with the law.

27 The advice review process should not be a ‘tick-a-box’ exercise. We expect file reviewers to assess all the information and use their judgement in forming a view on the quality of digital advice provided. This may involve file reviewers considering any additional information, as appropriate, to form a view on the quality of advice provided.

28 Frequent reviews of digital advice should be conducted initially, and with heightened scrutiny when any change to an algorithm is made. When changes are made, it would be prudent to run a number of test scenarios to test the quality of advice provided. Algorithms should be regularly monitored and tested through periodic and random advice reviews.

29 The nature and extent of the monitoring and testing arrangements will depend on the nature, scale and complexity of the digital advice being provided to clients.

30 Where problems with an algorithm are detected, digital advice licensees should take immediate steps to rectify the problems. Advice should not be provided to clients while the defect is being rectified.

31 Digital advice licensees are responsible for the defective advice and should have procedures in place to identify and contact clients who have been provided with defective advice. Suspension of an algorithm alone is unlikely to be sufficient to rectify the problems. Licensees may also need to lodge a breach report with ASIC. Section 912D provides that an AFS licensee must tell ASIC in writing within 10 business days about any significant breach (or likely breach) of the licensee’s obligations.

32 Digital advice licensees should take additional steps to review the advice provided to clients where this advice may have been defective. We expect licensees to also remediate clients who have suffered loss as a result of defective advice being provided.

Note: ASIC is currently consulting on our proposed guidance on review and remediation programs conducted by AFS licensees who provide personal advice to retail clients: see CP 247.

Self-certification of algorithm monitoring and testing

33 There is some precedent for ASIC requiring digital advice licensees to self-certify that they have undertaken adequate monitoring and testing of their algorithms, and that there are sufficient filters, controls, and organisational and technological resources for the management of the algorithms.

Note: When we use the term ‘self-certification’, we mean the review and certification or notification by a person to ASIC that they have undertaken adequate monitoring and testing of their algorithms. This includes having in place sufficient filters and controls to gauge the performance of the algorithms and to detect any dysfunction.

34 A market participant, for example, is required—under Pt 5.6 of the ASIC Market Integrity Rules (ASX Market) 2010 and Pt 5.6 of the ASIC Market Integrity Rules (Chi-X Australia Market) 2011—to review and certify its documentation and system for automated order processing (AOP).

Note: AOP includes automated strategies and system logic based on predetermined parameters, logic rules and conditions: see Section D of Regulatory Guide 241 *Electronic trading* (RG 241).

35 This includes the following reviews and certifications or notifications by the market participant:

- (a) initial review and certification to ASIC by a suitably qualified and experienced person before the system is used for AOP;
- (b) review of any material changes to the AOP system before the changes are implemented; and
- (c) annual review of the AOP system (where there has been no material change review in 12 months) and annual notification to ASIC by two directors of the market participant.

36 Market participants must comply with ASIC’s market integrity rules. These rules do not apply to digital advice licensees. If we were to require digital advice licensees to self-certify that they have undertaken adequate monitoring and testing of their algorithms, we would need to impose this requirement through an AFS licence condition under s914A or by an ASIC instrument under s926A (or similar modification provision).

37 The benefit of self-certification, in a digital advice context, is that it may provide ASIC and the market with an additional level of assurance that a digital advice licensee’s algorithms have been properly monitored and tested, and that the licensee has the adequate organisational and technological resources to manage the algorithms.

38 Self-certification would, however, increase the administrative burden on digital advice licensees.

39 At this stage, we are not proposing to introduce a self-certification requirement because this may impose an additional burden on the digital advice industry without sufficient corresponding regulatory benefit.

D Regulatory and financial impact

40 In developing the proposals in this paper, we have carefully considered their regulatory and financial impact. On the information currently available to us we think they will strike an appropriate balance between:

- (a) ensuring that clients have access to high-quality, low-cost digital advice; and
- (b) promoting a healthy and vibrant digital advice industry in Australia.

41 Before settling on a final policy, we will comply with the Australian Government's regulatory impact analysis (RIA) requirements by:

- (a) considering all feasible options, including examining the likely impacts of the range of alternative options which could meet our policy objectives;
- (b) if regulatory options are under consideration, notifying the Office of Best Practice Regulation (OBPR); and
- (c) if our proposed option has more than minor or machinery impact on business or the not-for-profit sector, preparing a Regulation Impact Statement (RIS).

42 All RISs are submitted to the OBPR for approval before we make any final decision. Without an approved RIS, ASIC is unable to give relief or make any other form of regulation, including issuing a regulatory guide that contains regulation.

43 To ensure that we are in a position to properly complete any required RIS, please give us as much information as you can about our proposals or any alternative approaches, including:

- (a) the likely compliance costs;
- (b) the likely effect on competition; and
- (c) other impacts, costs and benefits.

See 'The consultation process', p. 4.

List of proposals and questions

| Proposal | Your feedback |
|---|--|
| <p>A1 We propose to release draft Regulatory Guide 000 <i>Providing digital financial product advice to retail clients</i> (RG 000) to assist digital advice providers in complying with the law.</p> | <p>A1Q1 Overall, is the proposed guidance helpful? If not, why not?</p> <p>A1Q2 Is our proposed guidance (in Section D of the draft regulatory guide) helpful in assisting digital advice providers to provide scaled advice that is in the best interests of clients? If not, why not?</p> |
| <p>B1 We propose to require that a digital advice licensee has at least one responsible manager who meets the minimum training and competence standards for advisers.</p> <p>To assist existing AFS licensees that may not have a responsible manager who meets these standards, we propose a transition period of six months.</p> <p>Note: See RG 000.44–RG 000.51 of the draft regulatory guide for more details.</p> | <p>B1Q1 Do you agree with this proposal? Please provide supporting arguments.</p> <p>B1Q2 Do you agree that, if the changes proposed in the Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015 become law, at least one responsible manager should:</p> <ul style="list-style-type: none"> (a) meet the new higher training and competence standards (i.e. have a degree or equivalent, pass an exam, complete a professional year and undertake continuing professional development); and (b) comply with the proposed ethical standards (i.e. comply with a code of ethics and be covered by an approved compliance scheme)? <p>B1Q3 Are there any aspects of the proposed higher training and competence standards in the Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015 that should not apply to at least one responsible manager of a digital advice licensee?</p> <p>B1Q4 Is the proposed transition period of six months long enough for existing AFS licensees to comply with the requirement to have a responsible manager who meets the minimum training and competence standards? If not, why not?</p> <p>B1Q5 Please provide feedback on any costs or benefits that may apply to your business under the proposal.</p> |
| <p>C1 We propose to issue guidance on the ways in which we think digital advice licensees should monitor and test the algorithms underpinning the digital advice being provided.</p> <p>Note: See RG 000.68–RG 000.70 of the draft regulatory guide for more details.</p> | <p>C1Q1 Do you think we should be more detailed in our guidance on the ways in which we think digital advice licensees should monitor and test algorithms? If so, what additional guidance should we provide?</p> <p>C1Q2 Please provide feedback on any costs or savings to your business as a result of this proposed guidance.</p> <p>C1Q3 Do you think we should introduce a self-certification requirement which would require digital advice licensees to certify that their algorithms have been adequately monitored and tested?</p> <p>C1Q4 Should we require independent third-party monitoring and testing of algorithms? If so, in what circumstances would this be warranted?</p> |