



International Investment Funds Association
Association internationale des fonds d'investissement

Via Electronic Mail (baselcommittee@bis.org)

October 18 , 2013

Secretariat of the Joint Forum
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

Dear Sirs/Mesdames:

RE: Joint Forum Consultative Document on Point of Sale Disclosure in the Insurance, Banking and Securities Sectors (“Consultative Document”)

The International Investment Funds Association (“IIFA”) and its member associations support the important work of the Joint Forum as it examines issues common to the banking, securities and insurance sector, including the regulation of financial conglomerates. IIFA and its member associations have a well-established and successful consultative working relationship with IOSCO in matters of securities regulation, and are certain that the resources and expertise of our global membership can be of valuable assistance to the Joint Forum as it addresses multi-sector issues that also concern us.

IIFA’s members include 40 national and regional fund associations that collectively represent investment funds worldwide. As of the end of June 2013, these associations together represented assets under management of over US\$27.4 trillion (€21 trillion). For your reference, we have attached a list of member associations and of the members of IIFA’s board of directors.

As major participants in the “buy side” of the global financial system, regulated investment funds, as both issuers and investors, welcome the Joint Forum’s efforts to coordinate the work of the Basel Committee on Banking Supervision, IOSCO and the International Association of Insurance Supervisors to monitor issues across sectors and, where appropriate, develop global recommendations to strengthen the financial system. Properly and consistently regulated financial products are expected both by markets and by investors. To this end, IIFA can facilitate engagement with its member associations that can assist the Joint Forum in understanding changes and trends in global and local markets. We believe the input of regulated investment funds is essential to ensuring the Joint Forum is able to undertake a full and careful weighing of the risks and benefits of any proposed recommendations.

Participation in Consultations

IIFA’s member associations have long been engaged on point of sale disclosure initiatives at both the domestic and international level. In 2010, when IOSCO published its Consultative Report, *Principles on Point of Sale Disclosure*, 19 IIFA member associations signed on to a letter recommending that the

scope of the IOSCO initiative should not be limited to Collective Investment Schemes as was proposed at that time, but rather that the review should consider the disclosure requirements for the entire range of financial products offered to retail investors, to ensure investors have similar experiences at the point of sale. It was suggested, therefore, that IOSCO develop an all-encompassing approach for point of sale disclosure in order to avoid asymmetries in investor information and to better position investors to make fully informed, appropriate product choices by requiring similar information for all retail investment products. Consequently, IIFA today applauds the publication of the Consultative Document by the Joint Forum which certainly has encompassed a broader scope of retail product types.

The Consultative Document indicates that two roundtables were organized by the Joint Forum to meet with industry and consumer representatives. We hope that you will consider directly including the IIFA in future Joint Forum consultations and regulatory initiatives. We believe our members can provide valuable input from the perspective of the international investment fund industry, which has been in the forefront of improving disclosure for fund investors.

Substantive Comments on Consultative Document

On the substance of this Consultative Document, IIFA's members fully support the 8 Recommendations that the Joint Forum is proposing.¹ We believe that in order to reach a more level playing field across the spectrum of financial products that are proposed as being suitable to retail investors at the point of sale, such worldwide principles are a noteworthy step in the right direction.

We applaud the Joint Forum for achieving, for the first time, agreement among international securities, banking and insurance regulators/supervisors on a single set of principles to apply across all sectors, and for more broadly working towards a more level playing field across investment products from all sectors.

We are pleased that in compiling the sample of retail products the Joint Forum looked to include products that are most commonly offered as an alternative to, or in competition with, collective investment schemes, and we recognize the Joint Forum's acknowledgement that the sampling simply reflects the constraints of the Joint Forum's mandate and the practical considerations of how best to fulfil that mandate. We also fully support the Joint Forum's position that, although the report does not make recommendations beyond the scope of the sample products, supervisors could decide to apply some or all of the report's recommendations to products beyond the sample to the extent that their application would be appropriate or beneficial. Nevertheless, following the completion of this project, we encourage the Joint Forum to continue to consider whether similar point of sale disclosure recommendations should be issued by the Joint Forum with respect to other retail investment products, such as certain pension investment products that may be available in certain jurisdictions.

A number of our member associations represent jurisdictions in which there are multiple regulators overseeing the spectrum of retail products; in many cases there is a separate regulator for each of banking, insurance and securities products (and often a fourth regulator specifically for pension

¹ We note the flexibility that you have included with respect to the interpretation of the term "provided" in a footnote to Recommendation 2; this flexibility may particularly be needed with respect to execution only type transactions.

supervision) and their distribution. By contrast, other jurisdictions have a unified regulator that oversees all of the major product sectors, and in which it may be easier to adopt a consistent point of sale approach across all product sectors.

Just as the Joint Forum brought together the international regulators of the three major product sectors to collaborate and create the recommendations in the Consultative Document, the Joint Forum should encourage cooperation among regulators in jurisdictions where more than one regulator oversees different product sectors in order to facilitate consistent point of sale disclosure principles across product types, to the benefit of retail investors.

We expect many of our individual member associations will be submitting more detailed comment letters in response to the Consultative Document. We invite you to reach out to the IIFA and its member associations to provide you with key input from the investment funds sector to ensure your research and subsequent recommendations spanning product sectors are balanced, targeted and well-informed. Please feel free to contact me via Ralf Hensel, IIFA's Secretary (rhensel@iifa.ca) if you have any questions or require any further information.

Yours very truly,

A handwritten signature in black ink, appearing to read "Eduardo Penido", with a stylized arrow pointing to the right at the end of the signature.

Eduardo Penido (Brazil)
Chair



IIFA MEMBERS as of October 1, 2013

Argentina	Argentine Mutual Funds Association (CAFCI)
Australia	Financial Services Council (FSC)
Austria	Austrian Association of Investment Fund Management Companies (VÖIG)
Brazil	Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais (ANBIMA)
Canada	The Investment Funds Institute of Canada (IFIC)
Chile	Asociación de Administradoras de Fondos Mutuos de Chile – A.G. (AAFMM)
China	Asset Management Association of China (AMAC)
Costa Rica	Cámara Nacional de Sociedades de Fondos de Inversión (CNSFI)
Denmark	The Federation of Danish Investment Associations (IFR)
Europe	The European Fund and Asset Management Association (EFAMA)
Finland	Federation of Finnish Financial Services (FKL)
France	French Asset Management Association (AFG)
Germany	Bundesverband Investment und Asset Management e.V. (BVI)
Greece	Hellenic Fund and Asset Management Association (ETHE)
Hong Kong	Hong Kong Investment Funds Association (HKIFA)
India	Association of Mutual Funds in India (AMFI)
Ireland	Irish Funds Industry Association (IFIA)
Italy	Associazione Italiana del Risparmio Gestito (ASSOGESTIONI)
Japan	The Investment Trusts Association, Japan (JITA)
Korea, Republic of	Korea Financial Investment Association (KOFIA)
Ibero-America	Federación Iberoamericana de Fondos de Inversión (FIAFIN)
Luxembourg	The Association of the Luxembourg Fund Industry (ALFI)
Malaysia	Federation of Investment Managers Malaysia (FIMM)
Mexico	Asociación Mexicana de Intermediarios Bursátiles, A.C. (AMIB)
Netherlands	Dutch Fund and Asset Management Association (DUFAS)
New Zealand	Financial Services Council of New Zealand (FSC)
Norway	Norwegian Mutual Fund Association (VFF)
Pakistan	Mutual Funds Association of Pakistan (MUFAP)
Romania	Romanian Association of Asset Managers (AAF)
Singapore	Investment Management Association of Singapore (IMAS)
Slovakia	Association of Fund Management Companies (SASS)
South Africa	Association for Savings & Investments (ASISA)
Spain	Spanish Association of Investment and Pension Funds (INVERCO)
Sweden	The Swedish Investment Fund Association (SIFA)
Switzerland	Swiss Funds and Asset Management Association (SFAMA)
Taipei (Chinese)	Securities Investment Trust & Consulting Association of R.O.C. (SITCA)
Thailand	Association of Investment Management Companies (AIMC)
Turkey	Turkish Institutional Investment Managers' Association (TKYD)
United Kingdom	Investment Management Association (IMA)
United States	Investment Company Institute (ICI)

**Members of IIFA Board of Directors
(2012-2014)**

COUNTRY	ASSOCIATION NAME	NAME and TITLE
Argentina	Argentine Mutual Funds Association (CAFCI)	Carlos E. Attwell Executive Director
Austria	Austrian Association of Investment Fund Management Companies (VÖIG)	Dr. Armin Kammel Legal and International Affairs
Brazil (Chair)	Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais (ANBIMA)	Eduardo Penido Managing Partner
Canada	The Investment Funds Institute of Canada (IFIC)	Joanne De Laurentiis President & CEO
Chile	Chilean Mutual Fund Association (AAFM)	Monica Cavallini Managing Director
Chinese Taipei	Securities Investment Trust & Consulting Association of R.O.C. (SITCA)	Henry Lin Chairman
Europe	The European Fund and Asset Management Association (EFAMA)	Peter De Proft Director General
France	French Asset Management Association (AFG)	Stéphane Janin Director, Head of International Affairs Division
India	Association of Mutual Funds in India (AMFI)	Hoshang Sinor Chief Executive
Ireland	Irish Funds Industry Association (IFIA)	Pat Lardner CEO
Japan	The Investment Trusts Association, Japan (JITA)	Fumio Inui Vice-Chairman
Korea, Republic of (Deputy Chair)	Korea Financial Investment Association (KOFIA)	Sung Uk Yang Director, International Affairs Office
South Africa	Association for Savings & Investment SA (ASISA)	Leon Campher CEO
United States	Investment Company Institute (ICI)	Paul Stevens President and CEO
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