

Via email to: [baselcommittee@bis.org](mailto:baselcommittee@bis.org)

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

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### **Point of Sale disclosure in the insurance, banking and securities sectors**

The IMA represents the asset management industry operating in the UK. Our members include independent asset managers, the investment arms of retail banks, life insurers and investment banks, and the managers of occupational pension schemes. They are responsible for the management of around £4.5 (\$7.25) trillion of assets, which are invested on behalf of clients globally. These include authorised investment funds, institutional funds (e.g. pensions and life funds), private client accounts and a wide range of pooled investment vehicles. In particular, our members represent 99% of funds under management in UK-authorised investment funds (i.e. UCITS).

We welcome the opportunity to respond to the Joint Forum's consultation on point of sale (POS) disclosure in the insurance, banking and securities sectors.

As a general concept, we support the idea of a clear and concise POS disclosure document that enables consumers to obtain meaningful, unbiased information to help them to make better investment decisions.

Across much of the world, consumers are being required to take more control of their long-term savings and investment arrangements. There is evidence that consumers are not generally well equipped to do this and action is required to help them meet this need. We therefore strongly support the idea of a concise POS disclosure document for packaged products that compete with CIS in the retail savings and investment market. Indeed, we have lobbied for the inclusion of all such products in the proposed EU Packaged Retail Investment Product Key Information Document Regulation (the EU PRIP KID). This is important for two reasons: to improve investor protection by making sure retail clients have access to straightforward product information; and to help create a level playing field for competing investment products.

We note that the Joint Forum has selected a sample of products from across the insurance, banking and securities sectors, and the document clearly states that this sample is not to be seen as exhaustive, but, in order to maximise value to consumers in terms of product comparability, all relevant retail investment products should be covered. As one of the main reasons for proposing such disclosure is to enable comparison across any packaged investment products that compete for individual investors' savings and investment, it is important that the POS disclosure enables meaningful comparison across products, even though different product types might require some variation in content. As far as possible,

the POS disclosure should contain comparable information enabling retail investors to compare different products.

In order to reduce the costs of such a requirement, it is important that any durable medium is considered sufficient for disclosure purposes, not just hard copy in the post. We note with approval that this is provided for in note 11 at the bottom of page 3 of the document.

We agree that the disclosure document should be provided free of charge and, in general, prior to purchase. But post-sale delivery should be permitted in certain circumstances, e.g. for execution-only business, subject to provision of disclosure promptly after the transaction. We note that the European Commission's proposal for the EU PRIIP KID provides for such an outcome.

We agree that the disclosure should cover essential characteristics of the product, such as costs, risks, investment objective, etc. We also agree that the document should be clear, fair, not misleading and written in plain language so that it is comprehensible to a typical retail investor. It is important that the POS disclosure is kept concise (a maximum three sides of A4 in clear type would be ideal). It should be made clear that further information is available and where to find it.

We also take the view that retail wealth management clients receiving a discretionary investment management service should be excluded from the POS disclosure regime, or at least offered the opportunity to opt out, given that they have decided to appoint a discretionary manager.

One other important point is that such disclosure should not be required for non-retail business. Professional investors are unlikely to benefit from such a document as they can be expected to take an interest in more detailed disclosure documentation, whether in a prospectus or other documentary form, and a requirement to make concise details available to them would add cost without benefit.

Yours sincerely

A handwritten signature in blue ink that reads "Michael Gould". The signature is written in a cursive, slightly slanted style.

Michael Gould  
Senior Adviser - Retail Distribution