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Matthew Cherrill  
Collective Investment Schemes Policy and  
Regulation  
Financial Services Authority  
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London E14 5HS

28 May 2008  
Our ref:CP08/7

Dear Matthew

## **CP08/7\* Quarterly Consultation No 16 – Chapter 3**

This is the Financial Services Consumer Panel's response to the proposals in Chapter 3 of CP08/7\* Quarterly Consultation No 16.

The Panel supports the package of proposals in this Chapter of CP08/7\* which seeks to address the practical issues arising from illiquidity in the commercial property market. This is an area where there is the possibility of investor detriment if appropriate changes are not made to the current regulatory requirements.

*Q2: Do you agree with the suggested changes to the valuation requirements of immovable property?*

We support these proposed changes, with guidance clearly referring to RICS valuation standards.

*Q3: Do you agree with the introduction of fair value pricing for immovable property?*

We agree with the extension of fair value pricing to immovable property, with appropriate protection provided by FSA guidance. This seems to the Panel to be a pragmatic approach and one which should ensure that the underlying assets of a fund are valued on a realistic basis, rather than one tied into a prescriptive requirement that could be unhelpful and possibly misleading in certain market conditions.

*Q4: Do you agree with our amendments to, and guidance for, rules relating to the suspension of unit dealing?*

We support the proposed amendments. As regards the proposed requirement on authorised fund managers to review a suspension period at least every 28 days and to inform the FSA of the results, we would like to know what provision the FSA will

be making to monitor such reports and to respond quickly to missing/late reports and reports that give rise to other regulatory concerns.

Yours sincerely,

A handwritten signature in black ink that reads "Adam Phillips". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Adam Phillips  
Vice Chairman  
Financial Services Consumer Panel