

CP11/26^{★★}

Financial Services Authority

Distribution of retail investments:

RDR Adviser Charging – treatment of
legacy assets

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The Financial Services Authority invites comments on this Consultation Paper. Comments should reach us by 16 January 2012.

Comments may be sent by electronic submission using the form on the FSA's website at: www.fsa.gov.uk/Pages/Library/Policy/CP/2011/cp11_26_response.shtml.

Alternatively, please send comments in writing to:

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It is the FSA's policy to make all responses to formal consultation available for public inspection unless the respondent requests otherwise. A standard confidentiality statement in an email message will not be regarded as a request for non-disclosure.

A confidential response may be requested from us under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Tribunal.

Copies of this Consultation Paper are available to download from our website – www.fsa.gov.uk. Alternatively, paper copies can be obtained by calling the FSA order line: 0845 608 2372.

Abbreviations used in this paper

CBA	Cost benefit analysis
COBS	Conduct of Business sourcebook
CP	Consultation Paper
FSMA	Financial Services and Markets Act 2000
GPP	Group personal pension scheme
ISA	Individual Savings Account
PS	Policy Statement
RDR	Retail Distribution Review

1

Overview

Introduction

- 1.1 This Consultation Paper (CP) covers the treatment of ‘legacy assets’ under the Retail Distribution Review (RDR) Adviser Charging rules. By ‘legacy assets’ we mean retail investment products purchased by a retail client before the RDR rules come into effect and which the client is still holding when the rules are in force.
- 1.2 Draft guidance to help firms understand how legacy assets should be treated under the RDR rules is contained in Appendix 1.

Background

- 1.3 The final rules on adviser charging under the RDR were published in March 2010, in Policy Statement (PS) 10/6.¹ The adviser charging rules are contained in new sections 6.1A and 6.1B of the Conduct of Business sourcebook (COBS) and an important element of the new rules is a ban on firms receiving or paying commission in relation to personal recommendations to retail customers on retail investment products. These RDR rules will apply to advice given on or after 31 December 2012.
- 1.4 The Treasury Select Committee (TSC), in a report on the RDR, made various recommendations, including a recommendation that we should consider delaying introduction of the RDR rules for one year. Our response to the report (published by the TSC on 5 November 2011) explained the action that we were taking to mitigate their concerns, and confirmed that we would maintain the implementation date of 31 December 2012.
- 1.5 Since the rules were published, we have received queries on how the ban on new commission will affect the following types of remuneration for advised sales:

¹ PS10/6 *Distribution of retail investments: Delivering the RDR – feedback to CP09/18 and final rules* (March 2010)

- ‘trail commission’ – by which we mean ongoing commission that is payable for advice provided pre-RDR, and which normally continues to be payable while the client holds the investment concerned;
- ‘legacy commission’ – by which we mean additional commission that might have become payable in relation to legacy assets where there has been a change or addition to the product or investment post-RDR, such as a top-up to a life policy or the buying of new units in a unit trust.^{2,3}

- 1.6** We have already consulted, in CP10/22 of October 2010, on draft rules to confirm that trail commission for pre-RDR advice can continue to be received after the RDR rules come into force. This includes cases where an adviser sells their business to another firm, or where a client moves to a new adviser and the new adviser seeks re-registration of the trail commission payable on products taken out through the original adviser. The intention behind these draft rules was supported by the majority of respondents to the consultation, and final rules to this effect were published on 8 November.⁴ The rules have been amended to make it clear that they cover trail commission, not legacy commission, and to avoid confusion between the two.
- 1.7** The rules on trail commission confirm that commission for pre-RDR advice can continue to be paid and that it can be transferred to a different adviser. This can take place either through a bulk transfer of business (e.g. on retirement of the original adviser) or where the client chooses to move to a new adviser, and the new adviser decides to seek transfer of commission payable in relation to the client’s existing products. In the latter case (but not in the case of bulk transfers), the new adviser must make certain disclosures to the client and provide an ongoing service to the client.
- 1.8** Similar rules on trail commission were made for group personal pension schemes (GPPs), as we proposed in CP10/22. However, the issue of how to treat ‘legacy commission’ is not relevant for GPPs, as the rules in PS10/10⁵ on Consultancy Charging allow the payment of additional commission beyond 2012 in relation to pre-RDR schemes, where new members join the scheme or contributions are increased for existing members.
- 1.9** From around the beginning of 2011 we began to receive an increasing number of queries from firms and trade bodies about legacy commission in connection with Adviser Charging. This led us to review our previous communications on this issue, and it became clear that the effect of the rules that we had made in PS10/6 banning new commission for advised sales of retail investment products had not been properly understood by some firms. In March 2011 we circulated a note to trade bodies setting out our understanding of the position, and subsequently held discussions with a number of them on this issue. We have taken these discussions into account when preparing this paper.

² In contrast to a top-up into an existing life policy, the buying of new units is the purchase of a new product and not an addition to an existing investment. However, new advice post-RDR will be subject to the ban on commission in both cases.

³ We are aware that ‘trail commission’ and ‘legacy commission’ have been given different meanings in other contexts. But in this CP, we use them with the meanings set out here.

⁴ See Instrument 2011/54 on our website: http://fsahandbook.info/FSA/handbook/LI/2011/2011_54.pdf

⁵ PS10/10 *Delivering the Retail Distribution Review: Corporate pensions* – feedback to CP09/31 and final rules (June 2010).

- 1.10 Chapter 2 summarises the comments that were made to us, and sets out our view on them. It also explains the approach we have adopted in the draft guidance contained in Appendix 1.

Equality and diversity issues

- 1.11 We have assessed the equality and diversity impact of our proposals and do not believe that they will give rise to any issues. However, we would welcome any comments respondents may have on this.

Structure of this CP

- 1.12 The CP chapters cover:
- Chapter 2 – the treatment of legacy assets under the RDR Adviser Charging rules;
 - Chapter 3 – cost benefit analysis.

Timetable

- 1.13 Consultation ends on 16 January 2012. We plan to publish a Policy Statement giving feedback in Q1 2012.

Who should read this paper?

- 1.14 This CP will be of interest to firms advising on retail investment products and to product providers offering these products. Consumers will also be interested in the proposed guidance.

2

RDR Adviser Charging – treatment of legacy assets

Introduction

- 2.1 In the current, pre-RDR situation, additional commission may become payable where the amount invested in a retail investment product increases, subject to the terms of the contract between the provider and the adviser firm. So, for example, premiums for a life policy may increase if the policyholder increases the level of cover, or the customer may pay a lump sum into an existing personal pension. Since commission tends to be paid as a percentage of the investment, the commission will therefore increase. In the case of collective investment schemes (CISs), such as unit trusts, the client may wish to pay a lump sum into a CIS in which they already hold units, or increase monthly payments into funds held in an Individual Savings Account (ISA).
- 2.2 Currently, commission can be and in practice frequently is paid for both advised and non-advised sales of retail investment products. The RDR rules will prohibit the former, but not the latter – so legacy commission can remain payable for non-advised sales. Currently, product providers' systems often do not record, because they do not know, whether advice has or has not been given on a particular sale before the commission payment is authorised.⁶ But once the RDR rules come into force, firms will have to ensure that if any additional commission is paid, it is only paid in relation to non-advised sales.
- 2.3 The RDR rule banning receipt of new commission for advised sales (COBS 6.1A.4R) applies from 31 December 2012 and clearly prevents adviser firms from accepting commission for new advice from that date. There is a corresponding rule in COBS 6.1B.5R, which prevents product providers from paying commission from the same date. However, there has been some confusion in the industry about how the ban applies to cases where

⁶ The adviser firm will, of course, know, by definition, when it has given advice.

new advice is given post-RDR on a legacy asset which was originally purchased as a result of advice given pre-RDR. This chapter confirms that:

- a) COBS 6.1A.4R and COBS 6.1B.5R ban the payment or receipt of new ‘legacy commission’ for advised sales from 31 December 2012; and
- b) we do not intend to amend these rules to remove or relax the ban on such legacy commission.

2.4 However, to meet requests for clarification by the industry, we are consulting on draft guidance to help firms understand when legacy commission can⁷ and cannot be paid once the RDR rules have come into force. In addition, we have said in PS11/9, on application of the RDR rules to platforms⁸, that we do not propose, at this stage, to ban cash rebates by providers to consumers, although our preference is to do so following further work. This means that providers will be able to make cash rebates to customers for changes to legacy business if they so wish. We have said that rules to introduce a ban of cash rebates would not be made before the RDR rules come into force on 31 December 2012.

Background

2.5 In PS10/6 we made rules prohibiting the payment and receipt of commission for advised sales of retail investment products. We then described our approach to legacy business in the following terms (at paragraphs 4.13 to 4.14 of the Policy Statement):

‘As the new Adviser Charging rules only apply to business conducted after the end of 2012, adviser firms will face the practical challenge of distinguishing between old and new business, in order to determine whether or not they can continue to receive legacy commission on products sold in the past.

In general, the approach we would expect to see firms taking would involve assessing whether:

- the product in question is essentially unchanged, but has been amended or extended under options available to the consumer, from inception, in which case commission can continue to be paid; or
- the change is such that it leads to the product becoming a different product, or requiring a new contract with the consumer, in which case the new Adviser Charging rules will apply.’

2.6 It is important to note that this statement was part of the explanatory text of PS10/6. It was not made Handbook text, in other words it was not a FSA rule or guidance. It did not draw out the distinction between trail commission and legacy commission, nor did it draw

⁷ As noted above, legacy commission can be paid if, but only if, it is in respect of a genuinely non-advised sale.

⁸ PS11/9, *Platforms: Delivering the RDR and other issues for platforms and nominee-related services* (August 2011)

attention to the difference between advised and non-advised sales. But it needed to be understood in the context of the rules that we had made at COBS 6.1A.4R and COBS 6.1B.5R, which clearly banned paying and receiving commission for advised sales taking place after 31 December 2012.

2.7 By the beginning of this year we were receiving increasing numbers of queries from firms about how our rules applied to legacy products, and it became apparent that this was not well understood. For that reason, in March we circulated a note to the main trade bodies with an interest in this issue.⁹ This note set out what we considered to be the correct interpretation of the rules, and we asked the trade bodies and their members for feedback.

2.8 During our discussions with the industry, the following comments were made:

- Some product providers were under the incorrect impression that additional payments into existing products, as a result of advice, could continue to be paid for by new commission. So they thought they would only need to amend their systems to cater for adviser charging for new business going forward from 31 December 2012.
- Some of these product providers told us they have a large number of old systems and that it would not be worth amending all of them to cater for adviser charging. This means that customers could lose out as a result of the firm no longer accepting top-ups into products on certain systems if we did not relax the ban on new commission. Alternatively they might accept top-ups, but keep the additional commission they would have paid, as it would be too expensive to re-price the contract, so the customer would lose out by paying twice for the advice (through commission and adviser charges).
- Other firms did not ask for the ban to be relaxed, but said clarification was needed about how it would apply in practice, to ensure consistency across the industry.

2.9 We have considered very carefully the arguments that were put to us. We consider that it would be undesirable in principle for legacy commission to be paid to advisers after the RDR rules come into force, given that an important aim of the RDR is to move away from a situation where commission can lead the adviser's interests to be aligned with the provider, rather than the customer. The introduction of adviser charging is intended to lead advisers to focus instead on product features that are attractive to the consumer, such as delivery of good performance and long-term growth or income.

2.10 Allowing legacy commission to continue could perpetuate bias in the market, with advisers having a vested interest in recommending that customers continue to hold legacy products or to increase payments into them. This would potentially create a systematic bias towards top-ups into existing products. It could also lead to advisers being paid twice for the same work, once through adviser charges and again through commission. We therefore consider

⁹ The note was circulated to the Association of British Insurers (ABI), Association of Independent Financial Advisers (AIFA), Association of Private Client Investment Managers and Stockbrokers (APCIMS), British Bankers' Association (BBA), Investment Management Association (IMA), Tax Incentivised Savings Association (TISA) and the UK Platforms Group.

that it would not be desirable to relax the ban, and we are not proposing to make any change to COBS 6.1A.4R and COBS 6.1B.5R.

- 2.11 However, we agree that it would be helpful to have guidance to clarify how the commission ban should operate in practice, to ensure consistency across the industry. We have therefore prepared draft guidance, which is in Appendix 1, taking into account comments received from the industry during our discussions with them.

What does the new guidance cover?

- 2.12 The RDR ban on new commission applies where there has been a ‘personal recommendation’ made after the RDR rules come into force at the end of 2012. A personal recommendation is defined in our Handbook Glossary as:

‘a recommendation that is *advice on investments*, or *advice on a home finance transaction* and is presented as suitable for the person to whom it is made, or is based on a consideration of the circumstances of that person. A recommendation is not a personal recommendation if it is issued exclusively through distribution channels or to the public.’

- 2.13 The industry asked us whether various situations, such as fund switches and increases in monthly contributions to an Individual Savings Account (ISA), would be covered by the ban on new commission if new advice was given post-RDR. The draft guidance in Appendix 1 (which is in the Perimeter Guidance manual, PERG) sets out whether various typical situations will amount to advising on investments under article 53 of the Regulated Activities Order. If the answer is ‘yes’, the RDR ban on new commission applies, and additional commission cannot be paid. If the answer is ‘no’, the ban does not apply, and additional commission can be paid, subject to the terms of the contract between the provider and adviser.
- 2.14 This guidance is intended to help firms to understand when the ban does and does not apply, and so ensure consistency of approach. Taking into account this guidance, the questions firm should ask themselves post-RDR, to determine whether the adviser charging rules apply to a change to a product, are:
- 1) Has there been a personal recommendation to a retail client in relation to a retail investment product? If the answer is ‘No’, the adviser charging rules do not apply and there is no ban on the payment of commission. If the answer is ‘Yes’, the firm should ask itself question (2).
 - 2) Was the personal recommendation made before or after the RDR rules came into force? If the answer is ‘pre-RDR’ then the recommendation will not be caught by the RDR rules which ban the payment of commission. If the answer is ‘post-RDR’, no additional commission can be paid.

2.15 Our trail commission rules, described in Chapter 1¹⁰, confirm that commission can continue to be paid for pre-RDR advice. Trail commission for pre-RDR advice can continue to be paid until it ends naturally (because a product matures or is terminated).

- Q1:** Do you agree that it would be helpful to have guidance on when the ban on new commission does and does not apply, to ensure consistency of approach across the industry? If not, please explain why.
- Q2:** If your answer to Q1 is 'yes', do you have any comments on the draft guidance in Appendix 1? If you have suggestions for changes, please explain what you think these should be and why.
- Q3:** In particular, do you think that there are any other specific situations or particular examples where guidance might be helpful? If you have suggestions for changes, please explain what you think these should be and why.

¹⁰ See Instrument 2011/54 on our website at http://fsahandbook.info/FSA/handbook/LI/2011/2011_54.pdf

3

Cost benefit analysis

- 3.1** When proposing new rules, or amendments to rules, we are obliged under section 155 of the Financial Services and Markets Act (FSMA) to publish a cost benefit analysis (CBA), unless we consider that the proposals will give rise to no costs or to an increase in costs of minimal significance.
- 3.2** When we prepared the CBA in PS10/6, using cost figures given to us by firms following consultation in CP09/18, this was based on the rule banning new commission for all new advice on or after 31 December 2012, and not on any relaxation of that rule. We do not consider that the proposed guidance would give rise to incremental costs for firms: we have already estimated the costs and benefits associated with the adviser charging rules in the CBA conducted for CP09/18 and PS10/6.
- 3.3** In pre-consultation meetings earlier this year, some provider firms told us that a strict application of the ban on new commission in COBS 6.1A.4R and COBS 6.1B.5R would increase their costs, as they had assumed that they would be able to pay additional commission on changes to legacy business post-RDR. However, in the work we conducted for CP09/18 and PS10/6, we clearly explained that, for new business, commission was not payable. This was the case for the work specific to estimating costs and benefits. For example, the survey of product providers which formed the basis of the cost estimates in PS10/6 said:
- ‘Product providers will be permitted to facilitate payments to advisers through the client’s product or investment. However, by the end of 2012, any payment for advisory services made through the client’s product or investment must be funded directly by matching a deduction from that product or investment made at the same time as that payment, sometimes referred to as “perfect matching”.’
- 3.4** In addition, as noted in Chapter 2, we do not propose, at this stage, to ban cash rebates by providers to consumers, although our preference is to do so following further work. So providers, even if they did not fully take into account the costs of systems changes when responding to our surveys, will be able to avoid making such changes immediately to implement the ban on new commission, as they will be able to make cash rebates to

customers for changes to legacy business. Rules banning cash rebates to consumers by providers will not be made before the RDR rules come into force on 31 December 2012.

Q4: Do you have any comments on our analysis of the costs and benefits?

Annex 1

Compatibility statement

Introduction

1. In this annex we set out our view on how our proposals and draft rules in this CP are compatible with our general duties under Section 2 of FSMA and our regulatory objectives set out in Sections 3 to 6 of FSMA. We also outline how our proposals are consistent with the principles of good regulation (also in Section 2 of FSMA), to which we must ‘have regard’.

Compatibility with our statutory objectives

2. The proposals outlined in this CP are designed to help us meet our statutory objectives of maintaining confidence in the financial system and securing the appropriate degree of protection for consumers. We do not consider that our proposals have any significant impact on our financial crime or financial stability objectives.

Market confidence

3. The proposals in Chapter 2 support the new RDR rules, which are intended to remove product provider influence over adviser remuneration and improve the clarity of services offered by advisers.

Consumer protection

4. We consider that our proposal to provide guidance on the application of the ban on new commission, rather than relaxing the ban, will provide appropriate protection for consumers and avoid commission payments for advice continuing for an indefinite period.

Compatibility with the principles of good regulation

5. Section 2(3) of FSMA requires that, in carrying out our general functions, we have regard to the principles of good regulation.

The need to use our resources in the most efficient and economic way

6. We consider that the proposed guidance will provide clarity for both firms and FSA supervisors on applying the RDR ban on new commission, and so allow effective implementation of the RDR rules.

The responsibility of those who manage the affairs of authorised persons

7. Our proposals do not interfere in any way with the responsibility of firms' senior management.

The principle that a burden or restriction which is imposed should be proportionate to the benefits

8. As explained in Chapter 3, we consider that the CBA carried out for CP09/18 and PS10/6 continues to be valid. So we are satisfied that the costs of our proposals are proportionate to the benefits.

The desirability of facilitating innovation

9. We do not expect our proposals to hinder innovation.

The international character of financial services and markets and the desirability of maintaining the competitive position of the UK

10. We do not consider that our proposals will adversely affect the competitive position of the UK.

The need to minimise the adverse effects on competition

11. We do not consider that our proposals will have a material effect on competition.

The desirability of facilitating competition

12. We do not consider that our proposals will have a material effect on competition.

Acting in a way that we consider most appropriate for the purpose of meeting our statutory objectives

13. The proposals in this CP are designed to help us meet the objectives of the RDR. So, we consider that the proposals are the most appropriate for meeting our statutory objectives.

Annex 2

List of questions

- Q1:** Do you agree that it would be helpful to have guidance on when the ban on new commission does and does not apply, to ensure consistency of approach across the industry? If not, please explain why.
- Q2:** If your answer to Q1 is 'yes', do you have any comments on the draft guidance in Appendix 1? If you have suggestions for changes, please explain what you think these should be and why.
- Q3:** In particular, do you think that there are any other specific situations or particular examples where guidance might be helpful? If you have suggestions for changes, please explain what you think these should be and why.
- Q4:** Do you have any comments on our analysis of the costs and benefits?

Appendix 1

Draft Handbook text

**CONDUCT OF BUSINESS SOURCEBOOK AND PERIMETER GUIDANCE
(ADVISER CHARGING) INSTRUMENT 2012**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 138 (General rule-making power);
 - (b) section 145 (Financial promotion rules);
 - (c) section 156 (General supplementary powers); and
 - (d) section 157(1) (Guidance); and
 - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 31 December 2012.

Amendments to the Handbook

- D. The Conduct of Business sourcebook is amended in accordance with Annex A to this instrument.
- E. The Perimeter Guidance Manual is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Conduct of Business Sourcebook and Perimeter Guidance (Adviser Charging) Instrument 2012.

By order of the Board
[date]

Annex A

Amendments to the Conduct of Business sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text.

6.1A Adviser charging and remuneration

Application – Who? What?

6.1A.1 R ...

6.1A.1A G (1) Guidance on the regulated activity of advising in relation to a new or existing investment can be found in PERG 8.24G to PERG 8.29G. Although the guidance in PERG 8.29.7G relates to advising on investments under article 53 of the Regulated Activities Order, exactly the same answers apply to a personal recommendation because the examples given relate to the relationship between a firm and a particular client and advice given to that specific client. A firm wishing to know when it will be giving advice but not making a personal recommendation should refer to PERG 13.3.

...

6.1B Retail investment product provider and platform service provider requirements relating to adviser charging and remuneration

Application – Who? What?

6.1B.1 R ...

6.1B.1A G (1) Guidance on the regulated activity of advising in relation to a new or existing investment can be found in PERG 8.24G to PERG 8.29G. Although the guidance in PERG 8.29.7G relates to advising on investments under article 53 of the Regulated Activities Order, exactly the same answers apply to a personal recommendation because the examples given relate to the relationship between a firm and a particular client and advice given to that specific client. A firm wishing to know when it will be giving advice but not making a personal recommendation should refer to PERG 13.3.

...

Annex B

Amendments to the Perimeter Guidance Manual

Insert the following new section of text. The text is not underlined.

8.29 Advice must relate to the merits (of buying or selling a particular investment)

...

8.29.7 G Typical recommendations and whether they will be regulated as *advising on investments* under article 53 of the *Regulated Activities Order*. This table belongs to *PERG 8.29.1G* to *PERG 8.29.6G*.

Recommendation	Regulated under article 53 or not?
I recommend that you take out the ABC <i>investment</i> .	Yes. This is advice which steers the <i>client</i> in the direction of a particular <i>investment</i> which the <i>client</i> could buy.
I recommend that you do not take out the ABC <i>investment</i> .	Yes. This is advice which steers the <i>client</i> away from a particular <i>investment</i> which the <i>client</i> could have bought.
I recommend that you take out either the ABC <i>investment</i> or the DEF <i>investment</i> .	Yes. This is advice which steers the <i>client</i> in the direction of more than one particular <i>investment</i> which the <i>client</i> could buy.
I recommend that you sell your ABC <i>investment</i> .	Yes. This is advice which steers the <i>client</i> in the direction of a particular <i>investment</i> which the <i>client</i> could sell.
I recommend that you do not sell your ABC <i>investment</i> .	Yes. This is advice which steers the <i>client</i> away from a particular investment which the <i>client</i> could have sold.
I recommend that you increase the regular payments you are making to your GHI fund*.	Yes. This is advice which steers the <i>client</i> in the direction of acquiring further <i>units</i> in a particular fund.
I recommend that you decrease the regular payments you are making to your GHI fund*.	Yes. This is advice which steers the <i>client</i> in the direction of acquiring further <i>units</i> in a particular fund but advises against the <i>client</i> buying as many as he intended.
I recommend that you keep making the same regular payments to your GHI fund*.	Yes. This is advice which steers the <i>client</i> in the direction of acquiring further <i>units</i> in a particular fund.

I recommend that you stop making the regular payments you are making to the GHI fund*.	Yes. This is advice which steers the <i>client</i> away from buying <i>units</i> in a particular fund which the <i>client</i> could have bought.
I recommend that you pay a lump sum into your GHI fund*.	Yes. This is advice which steers the <i>client</i> in the direction of acquiring further <i>units</i> in a particular fund.
I recommend that you do not pay a lump sum into your GHI fund*.	Yes. This is advice which steers the <i>client</i> away from buying <i>units</i> in a particular fund which the <i>client</i> could have bought.
I recommend that you move part of your investment in the JKL <i>investment</i> from fund X into fund Y*.	Yes. This is advice which steers the <i>client</i> in the direction of selling <i>units</i> in a particular fund and buying <i>units</i> in another specific fund. Where the two funds are sub-funds of the same main fund it is still advice. The terms ‘bought’ and ‘sold’ are given a wide meaning and include any acquisition or disposal for valuable consideration.
I recommend that you move all of your investment in JKL <i>investment</i> from fund X into fund Y*.	Yes, for the same reason.
I recommend that you move your MNO <i>investment</i> from platform X and re-register it on platform Y.	This is unlikely to be advice because normally it will not involve buying and selling the <i>investment</i> held on the platform.
A <i>client</i> decides to increase, decrease or temporarily suspend his regular payments or the payments are increased automatically into an <i>investment</i> without advice being given.	No. No advice is being given.
The <i>firm</i> is providing discretionary management services under a mandate and makes changes to a <i>client’s investment</i> without providing advice.	No. No advice is being given.
Dividends are re-invested into an <i>investment</i> without advice being given.	No. No advice is being given.

* The same answer would apply where the fund is a *life policy* as rights under a *contract of insurance* are regulated *investments* under the *Act*. The position under a *personal pension scheme* is similar, as explained in more detail in *PERG 12.3*.

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