

A key feature in TISA's recent activity has been the re-registration project and each issue of Quarterly has included a project progress article. In this special report we look back at the aims of the project, its current status and which areas of the project will transfer across to the new company – The TISA Exchange Ltd (TeX). Details of TeX can be found on the reverse of this report.

It is perhaps worth noting that calling this undertaking the Re-registration project was in some respects a mis-nomer. A more appropriate name might have been the 'Transfers Project' as the business process and message set actually cover all collectives and the transfer of any tax wrapper, as well as instructions relating to the transfer of cash. With that in mind, the messages, processes, SLAs and all matters relating to liability and indemnity issues are relevant whatever is being transferred and whoever the accounts are coming from or going to.

Project background and introduction

Due to the complexity of the transfer of unit trusts and similar investments from within ISAs and SIPPs, many providers do not allow these transfers from one provider to another. Those that do find them, in the main, to be manual and time consuming. A solution is therefore needed that will reduce the time, complexity and costs involved in the transfer of these investments between providers to the benefit of the consumer and the industry.

TISA's re-registration project aims to provide facilities for investors, directly or via their adviser, to:

- Access a platform/wrap/supermarket that uses nominee registration
- Register their tax wrapper and underlying funds into the relevant nominee
- Transfer between different nominees, and transfer from a given nominee to an investor's own name

Such a service needs to be easy to use and able to transact fully online once a provider is ready to move from a manual solution.

It was agreed that the best way forward was to define a commonly understood set of procedures and, where appropriate, systems. It was also clear that there could be a number of phases to the project so it was agreed the industry would work with TISA to deliver phase 1 (which is expected to be sufficient to meet the FSA's requirements from DP10/2) and then decide whether to move forward with further phases.

TISA's Re-registration project



Workstreams and current status

The project was split into a number of workstreams, each of which had a leader, team of participants and a defined goal. Full details of each workstream can be found in the [re-registration section of the TISA website](#) but a summary of the progress is as follows:

Business Case – Completed. The project group agreed there was no requirement for an industry level version as participants preferred to develop their own individual business case.

Business Process – Completed. TISA is using the work produced by the UK Funds Market Practice Group (UKFMPG). The Investment Portfolio and Fund Transfers Market Practice and associated message formats on which the TISA programme depends were issued in final draft in October 2010. The documents are available on the [test materials page within the re-registration section of the TISA website](#).

Service Level Agreement – Completed. The draft Service Level Agreement has been issued for use by market participants re-registering assets between platforms. Based on work already undertaken by the UK Market Practice Group, and refined by the SLA Workstream within the re-registration project, the document is now available to view on the [Quality Performance/SLA page within the re-registration section of the TISA website](#).

External communications – Ongoing. A number of press releases relating to the

project have been issued and can be viewed in the [press release section of the TISA website](#).

Proof of Concept & Pilot – Ongoing. The goal of this workstream is to co-ordinate the test of the message formats, delivery mechanisms, processes/procedures and timescales to prove the concept; and build the test volumes and range of activities from proof of concept to pilot to volume test and finally to live running.

A number of specific objectives and methodology were defined and testing has been underway for several months within a number of firms.

Note: Whilst the workstreams for Business Process and Service Level Agreement are closed plans are in place to allow additions and amendments to documents where testing has shown a need to do so.

Legal & Compliance – Completed. A legal seminar was held at Pinsent Masons in June 2011 to discuss the proposed principles of a standard contract to cover the issues of liability and indemnity which arise with electronic re-registration. Delegates from across the industry agreed that the formation of a Contract Club would help the industry to be more effective, provide consistency and reduce costs. The conclusion reached following these discussions was that a new company should be set up to facilitate the formation of the contract club. The new company has been named the TISA Exchange Limited (TeX) and further details are shown on the reverse of this special report.

TISA Exchange Limited (TeX)



TISA has formally established TISA Exchange Limited (TeX) as a 'contract club' to help facilitate the electronic transfer of assets. It follows a cross industry initiative that has agreed the standards and associated Service Level Agreements (SLA) for the re-registration of assets. Promoted by the FSA, this initiative has seen the industry complete a rare achievement upon which TeX will build.

Through the provision of a depository for the non-commercial contract terms for transfers, TeX will provide certainty for customers that re-registration is being completed to an agreed industry standard. It will also significantly reduce industry costs and risks by removing the need for each platform, nominee, TPA and fund company to have individually agreed contract terms covering transfers. The depository will hold one common set of terms that are maintained by TeX.

TeX is a not-for-profit organisation which will work with the industry to ensure that the maximum benefit will be provided to all members. This new company will be financially independent from TISA but will benefit from being linked to the TISA brand through name, the expertise provided by the two corporate entity directorships and will also have administrative support provided by TISA. This will give the industry a number of benefits, including:

- The strength of an existing successful industry body
- The recognition of TISA as an independent cross-industry body by the FSA, other regulators and government
- A critical mass of staff and infrastructure
- Assurance to members that there will be no commercial influence over TeX
- Reduced risk of a small group dominating the direction of TeX
- Breadth of internal expertise and experience
- Experience of running a not for profit, low-cost membership body
- Experience of running a cross industry database (the ISA transfers database used extensively by all ISA providers, not just TISA members)
- Lower set up costs

In addition to a TeX Board of Directors an Advisory Council consisting of representatives from TeX members – platform service providers, asset managers and service providers – has been established to provide the Board with operational, technical and legal input.

Members will pay a one-off joining fee and an annual fee which will both be set for a minimum of two years.

If you would like to become a member of TeX or require additional information please contact Carol Knight on 01642 666989.

The inaugural meeting of the TeX Board took place on 7th November 2011.

A number of decisions were made at the meeting including:

The appointment of Stephen Mohan (MD, Operational Services, Cofunds) as Chairman of the Board of TeX.

- Mike Boardman (COO, L&G)
- Matthew Brown (Director, IFDS)
- David Dalton-Brown (Head of Barclays Wealth Funds, Barclays)
- Ed Dymott (Head of Commercial, Fidelity Worldwide Investment)
- Carol Knight (TISA, Director of Member Services)
- Andrew Smith (Chief Technology Officer, Nucleus)
- Hugo Thorman (CEO, Ascentric)
- Tony Vine-Lott (TISA, Director General)
- Tom Wilkinson (Director of Strategy and Proposition, AXA Wealth)

were appointed as Board Members along with other members to be named shortly.

- Carol Knight was appointed as Company Secretary
- Nominations were made for the Treasurer role
- TISA were appointed as administrator
- The operator function will be outsourced and the Request for Information and Proposal has been issued to 3 companies.

There are currently 11 founding members of TeX which include:

Ascentric
AXA Wealth
Barclays
CoFunds
Fidelity Worldwide Investment
IFDS
Legal & General
Nucleus