



## Welcome

Welcome to the summer edition of our Investment & Distribution newsletter. Issue 3 provides you with an overview of TISA's main activities in the three months to August 2011. We look forward to your feedback, comments and questions which can be sent via the 'contact us' link at [www.tisa.uk.com](http://www.tisa.uk.com)

## TISA board update



Carol Knight joins TISA board – see page 4

# Cash ISA transfers

Following the work which has been undertaken to improve the speed and efficiency of Cash to Cash ISA Transfers, Management Information (MI) is now submitted monthly by all firms processing over 5,000 Cash ISA transfers a year. This data records performance against the 5/15 day timescales which are now written in to the ISA Regulations. Clearly the MI is confidential, but it is fair to say that even over the hectic period covering the tax year end, overall performance across the Cash ISA industry met the required timescales on over 90% of transfers. Bearing in mind that this process is still completely manual and paper-based, we believe these figures

indicate the great commitment shown and the degree of improvement which has been achieved by the providers involved. There are of course cases which still fall outside these timescales, but open discussion across the contributing firms together with enhanced communication should continue to improve this performance. The FSA receives detailed statistics and pro-actively follows up where firms fail to achieve the required timescales – always a powerful incentive to meet the deadlines!

We have to recognise that reducing the timescales below 15 days is probably unrealistic until paper can be removed from the process. BACs have been working

with an industry working party to define the business requirements for such a process and provided an overview of the work achieved so far at the last TISA Discussion Forum held on 16th June. Slides of this presentation can be found on the TISA website at [http://www.tisa.uk.com/slides\\_from\\_meetings.html](http://www.tisa.uk.com/slides_from_meetings.html). The TISA Cash Savings Advisory Council and appropriate Councils or Boards of the sector trade associations TISA is working with on this (BBA and BSA) have been forwarded the latest details of this on-going work and will soon be asked to provide confirmation for BACs to move to the next development stage.

## INSIDE ► THIS ISSUE

**02** ISA Qualifying Investments – TISA launches a new section of its website at [www.tisa.uk.com](http://www.tisa.uk.com)

**03** Looked after Children – Read how the Share Foundation is working to assist looked after children with financial education and funding for CTFs and JISAs.

**04** On TISA's side – Would you like to work for us? Find out about two new positions being created at TISA.

## Distributor Funds project

In the last Quarterly newsletter Malcolm Small announced the establishment of the distributor funds project. Following a series of meetings of the Executive Committee, chaired by Paul Bradshaw, a Request for Proposals was drafted and circulated to consultancies and legal firms thought likely to be interested in advising on the distributor funds market. A number of responses were received and Eversheds, the legal firm, was selected to prepare a report, which, after consideration by the Committee, is now expected to be published in the autumn. The Committee

members have collectively funded the preparation of the report, and TISA is grateful for this valuable commitment. We have met with the Financial Services Authority (FSA) to brief them on the project and our thinking so far, and their perception of the issues in this market has added important insights which have been shared with Eversheds. To help market participants further understand the nature of the issues under scrutiny, also to gain a preview of some of the findings of the report, we will be holding a Seminar on the afternoon of Tuesday, 27th September in Central London. Peter Smith, head of investments policy at FSA, is amongst the confirmed speakers for this event.

When published, the report is expected to establish clear 'posts in the sand' within which good consumer outcomes might be expected from distributor funds. Conversely, business models outside those posts may need further analysis. The aim of the project overall is to provide a framework for good practice and effective communication in this market.



## Re-registration project progress

The Proof of Concept and Legal workstreams are the current focus of the Re-registration project which is facilitating the automation of platform-to-platform re-registration of unit trusts by 1st January 2012. The project is progressing well and the Service Level Agreements, Business Case and Business Processes workstreams have all been successfully completed.

The Legal workstream, in consultation with the industry at a legal seminar on 30th June, agreed that a 'Contract Club' should be set up, subject to TISA Board approval. The structure is currently being agreed and it is hoped that the first meeting of the new company board will take place in September.

Currently Altus, Calastone and Bank of New York Mellon have announced test groups and we anticipate that as the workstream is in active discussions with Origo and Euroclear/EMX more will be added soon. Since the commencement of proof of concept testing in early May Fidelity, Ascetric and Schroders (in the form of their registrars, IFDS) have announced that they have successfully tested the first platform-to-platform asset transfer over SWIFT using Altus's Transfer Gateway. This is a great achievement and we look forward to welcoming further such developments.

Our website [www.tisa.uk.com](http://www.tisa.uk.com) has a section dedicated to this project, detailing the latest position including test results. There is also a facility for you to submit questions and comments to the project team.

## ISA Key Facts training

Look on the training section of the TISA website for details of the new ISA Key Facts training sessions

## Qualifying investments

A new section has been added to the TISA website to compliment our existing technical support for the various savings schemes.

This new area shows the qualifying status of investments for ISAs (including Junior ISAs), SIPPs and CTFs which have recently been queried with the technical team and can be accessed by logging into the members' area.

This section will be regularly refreshed and updated following enquiries from members and information we receive from HM Revenue & Customs, British Bankers Association and Association of Private Client Investment Managers.

## Diary dates!

*Tuesday 6th September*

- ISA Key Facts, Edinburgh

*Wednesday 7th September*

- Interactive Pensions Briefing, London

*Tuesday 13th September*

- Junior ISA Administration, Edinburgh

*Wednesday 14th September*

- Junior ISA Administration, London

*Thursday 15th September*

- Corporate Wrap Seminar, London

*Tuesday 27th September*

- Distributor Funds Seminar, London

*Tuesday 27th September*

- Junior ISA Administration, Norwich

*Tuesday 27th September*

- ISA Repairs and Voids, London

*Tuesday 4th October*

- Junior ISA Administration, Manchester

*Wednesday 5th October*

- Junior ISA Administration, Liverpool

*Thursday 6th October*

- ISA Transfers, London

*Thursday 6th October*

- Distribution Seminar, London

*Wednesday 19th October*

- AGM & Discussion Forum, London

*Thursday 3rd November*

- ISA Key Facts, London

*Tuesday 8th November*

- Distribution of Pensions Seminar, London

*Tuesday 10th November*

- ISA Qualifying Investments, London

*Wednesday 16th November*

- Annual Conference 2011, London

*Tuesday 29th November*

- Auto-enrolment Seminar, London

*Tuesday 29th November*

- Introduction to ISA Administration, London

*Tuesday 6th December*

- ISA Transfers, Edinburgh

*Wednesday 7th December*

- Interactive Pensions Briefing, London

To book a place at any of these events, click on the link, go to our website at [www.tisa.uk.com](http://www.tisa.uk.com) or call 01642 666999.

## Junior ISA

This is the last issue of Quarterly to be published prior to the launch of the Junior ISA (JISA) on 1st November 2011. The new regulations were laid on 27th July 2011 and TISA has since published the amended consolidated regulations. These can be found on our website at [www.tisa.uk.com](http://www.tisa.uk.com) or by clicking [here](#).

The key features of the JISA have been confirmed as follows:

- ▶ Both cash and stocks and shares Junior ISAs will be available. Children will be able to hold up to one cash and one stocks and shares Junior ISA at a time (two accounts in total).
- ▶ There will be an overarching contribution limit of £3,600 per year which will be indexed by CPI from 6th April 2013 onwards.
- ▶ Accounts will be owned by the child and funds will be locked in until the child turns 18.
- ▶ Children will have the right to manage their accounts from age 16.
- ▶ Any income or gains will be tax-advantaged.
- ▶ Junior ISA accounts will by default become adult ISAs on maturity.
- ▶ There will be no government contributions or matched payments into accounts.
- ▶ There will be no compulsory stakeholder Junior ISAs.

On 1st November 2011 the CTF limit will be increased to £3,600, and will continue to be aligned with the Junior ISA limit going forwards.



## Junior ISA providers for looked after children

Gavin Oldham of the Share Centre addressed a recent meeting of TISA's Children's Savings Council in his capacity as chair of The Share Foundation. This is a charity set up in 2005 to provide funding to the Child Trust Fund (CTF) of children where there is no parental responsibility and to increase the degree of financial education available to them.

The charity has provided in excess of £400,000 to Child Trust Funds for looked after children, which has been distributed by the Official Solicitor over the past 5 years. However, following the decision to cease contributions to CTFs and the forthcoming introduction of Junior ISAs, The Share Foundation has undertaken a strategic review and subsequently applied to take over responsibility for the recognised contact role for these accounts from the Official Solicitor and for Junior ISAs.

In March 2011 a commitment was made by Government to allocate £5m for looked after children allowing a Junior ISA to be opened, and seeded for each child with an additional payment, possibly £100. The Share Foundation plans to raise funds for additional contributions to these accounts, both Junior ISAs and CTFs with a target of £300 per annum, per account.

The reason for the presentation at the Council meeting – and this article – is that the Government is seeking reassurance that providers will run these accounts. The current system of allocating accounts on a rotation system would continue as will the independent reviews that currently take place.

It was agreed that there will need to be a more detailed requirements specification at a later stage but at present Gavin is keen to understand which providers are prepared to confirm in principle their willingness to administer these accounts. If you would like to express an interest or wish to receive more information on the Share Foundation, please contact [jill.crowell@tisa.uk.com](mailto:jill.crowell@tisa.uk.com)

Note: There are c. 8,000 CTFs currently administered by the Official Solicitor and a further 10,000 where parental responsibility applies. There are estimated to be a further 46,000 looked after children/young people eligible for Junior ISAs.

## TISA Annual Conference

The 2011 TISA Annual Conference on 16th November will be held at the Plaisterers' Hall, No. 1 London Wall, London, EC2Y 5JU. **Registration commences at 12.45pm with the conference scheduled to end by 6pm.**

We are delighted to announce that this year's chair will be Charlie Parker, Investment Editor of Citywire and Editor of Citywire Wealth Manager.

Our speakers are:

- ▶ Mark Hoban, MP, Financial Secretary to the Treasury
- ▶ Margaret Cole, Director of Enforcement and Financial Crime, FSA
- ▶ Charlie Parker, Investment Editor of Citywire and Editor of Citywire Wealth Manager
- ▶ David B Smith, Chief Economist, The Tax Payers' Alliance
- ▶ Christopher Leslie, MP, Shadow Financial Secretary to the Treasury
- ▶ Steve Webb MP, Minister of State to the Department for Work and Pensions
- ▶ Tim Shakesby, Lead Policy Officer – PRIPs, European Commission

The title of this year's panel session is 'The impact of non-UK regulation on the UK financial services industry'. The session will be chaired by Navigant Consulting who are also the sponsors of the post conference drinks reception.

Additional sponsors and exhibitors include iRed Partnership, Kinetic Partners LLP, The National Skills Academy for Financial Services (NSAFS) and SWIFT.

Attendees at the 2010 event will recall that this was a hugely popular occasion so [click here](#) to make your reservation now. Places are allocated on a first come first served basis with TISA member firms entitled to one free place.

## Junior ISA Administration sessions

TISA are holding events in Edinburgh, London, Norwich, Manchester and Liverpool in September and October to highlight the administration processes that will be either new or modified to accommodate Junior ISAs. The sessions have been introduced following the success of the recent Junior ISA update meetings and we anticipate they will be very popular. For more information or to book, [click here](#) or go to the Other Events page at [www.tisa.uk.com/events.html](http://www.tisa.uk.com/events.html)

## Addition to the TISA Board

Carol Knight, head of member services joined the TISA Board of Directors on 1st July 2011.

In the press release announcing Carol's addition to the board John Brasington, TISA chairman said:

"Over recent years TISA has evolved its remit and now represents the views of a broad church that includes the majority of the large UK providers, distributors and administrators. During this period Carol Knight has worked tirelessly on behalf of our member firms and has been an integral part of TISA's success – in particular our ability to bring the industry together to develop solutions to key issues. But we know that there is scope to do even more. I am delighted that Carol's drive and experience will now be part of the Board and will help us to ensure the Association continues to move in the right direction."

Carol Knight joined TISA in 2004 and as head of member services is responsible for the day-to-day running of the Association's administration centre, member communications, expanding the events and training programme and technical issues in the cash savings sector, for example the programme to develop messages to enable electronic ISA transfers. Most recently Carol led TISA's initiative to ensure that HMT and HMRC were fully aware of the industry's views on how best to make Junior ISAs work in practice.

Carol Knight commented:

"The past seven years have been very busy and successful. TISA has made an enormous amount of progress providing strategic and operational input to our members and in becoming recognised as a powerful voice by policy makers and regulators. This puts us in a strong position to shape the consumer experience and I look forward to working with the Board to develop our future policies and programmes."

There are currently three directors and seven non-executive directors on the TISA Board. In addition TISA has six Advisory Councils overseeing Cash savings, Children's savings, Distribution, Wraps and platforms, Investment savings and Retirement planning that report to the Board. A summary of the recent activity for each of these Councils will appear in the next edition of Quarterly.

## Structured Products

Concerns about these products, particularly structured deposits, were voiced by Which? in the ISA Industry Report published by TISA in conjunction with Cimetric earlier this year. These appear to be shared by the FSA with the release of a consultation document focussing on these products.

To help ascertain the reasons for the doubts currently circulating, TISA hosted an open meeting in London on 27th July which flushed out the main issues in a lively debate.

Outcomes from the meeting provided input into our response to the consultation paper and are also being used to identify other activities for TISA to take up to help resolve the problems.

## Contact us

Any questions or comments about this issue of Quarterly should be addressed to



[Jill.Crowell@tisa.uk.com](mailto:Jill.Crowell@tisa.uk.com)



*Watch this space...*

We will be publishing comments on the FSA platform paper and adding further detail to the TISA website shortly

## TISA vacancies

We are currently recruiting for 2 positions within TISA.

**The first is for** a technical director who has extensive experience in the retail savings and investment market, with good knowledge and understanding of FSA regulatory matters. The position will form a key part in the development of TISA's planned expansion to provide greater support across a wide range of technical areas.

The position would require the individual to work with member firms as well as government and regulatory representatives on the development and communication of new and changing regulations, identifying how these regulations impact on the operation, administration and distribution of saving schemes/products/services of all types.

This role is likely to start as a part-time position with the expectation that the successful person may build the role over time.

**The second is for** a full time technical officer based in Stockton but involving attendance at London events and meetings where appropriate. The ideal candidate will be one with experience in pensions and/or pension administration and/or FSA regulatory matters to provide technical advice, support and training. They will need to have the drive to grow and expand the technical services we currently offer so that we can provide similar support in the wider fields which impact on the operation, administration and distribution of saving schemes/products/services of all types.

For more details and how to apply visit the vacancy page of the TISA website or contact Carol Knight on 01642 666989.



Look out for Issue 4 due for release in November

## People news

This section is dedicated to appointments, promotions, speakers and all other people related news within the TISA membership.

**Tony Vine-Lott** named in New Model Adviser's top 10 tax experts you need to know

**Mary-Anne McIntyre** is now chief executive of Openwork

**Martin Davis** has commenced his role as Cofunds chief executive

**Nick Poyntz-Wright** joined the FSA life insurance department

**Ian Thomas** has launched Pilot Financial Planning

