



## Hitting the ground running!

### Jeffrey Mushens

In Issue 04 we introduced Jeffrey Mushens, our new technical director. We thought for this issue it would be interesting to gain an insight into Jeffrey's first few months with TISA.

TISA is involved in a great deal more across financial services that I had expected when I joined in October 2011.

That's the most striking thing about TISA. The interests of members, and TISA's engagement with government and regulators, stretch right across the financial services industry.

We're of course not just involved in ISAs – though to be intimately associated with such a positive brand helps in accessing government and regulators across the industry.

We're also heavily engaged in the debate on the future progress of pensions and retirement saving (for more information on this arena read Malcolm Small's section of the TISA Annual Review 2011).

The most notable development for me in my first few months has been the launch of the TISA Exchange or TeX.

At a high level what I really like about this project is the way the industry has been able to create, almost from scratch, a new market or model. This initiative helps members to transfer assets across the industry. This is a great example of TISA at work – bringing everyone together to create solutions to industry issues.

If the model works, and it looks like it will, it can be readily extended to cover not just funds, which are its initial focus, but assets more generally. The original scope has grown from the re-registration of assets for underlying investors, without incurring unacceptable costs or delays, to enabling the electronic transfer of ownership without the need for wet signatures.

TeX will help enable the industry to drive down costs and speed up the transfer



of assets – making life simpler, cheaper and more transparent for customers and the industry.

In addition to this, I hope to be able to help members more generally in my role as technical director. That means supporting the policy development in our Advisory Councils with technical knowledge and expertise. If members have issues around the practical implications of proposals, or need help in discussions with regulators or Government, please do contact me.

I haven't been with TISA very long but I have enjoyed 2011. I expect 2012 to be even better!

This article is an extract from the TISA Annual Review 2011 which is published in the first Quarter each year and includes articles from TISA directors, the TISA

Advisory Council chairmen and speakers at the TISA Annual Conference 2011. The full report can be found on the TISA website or by [clicking here](#).

### A resounding success

Following the success of the 2011 TISA Conference, which had a record number of delegates and excellent feedback, we are delighted to announce that Justin Urquhart Stewart will be chairing the 2012 conference on Wednesday 14th November 2012. Bookings are already being accepted so [click here](#) to reserve your place.

### INSIDE ► THIS ISSUE

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## Policy in brief – Malcolm Small



Last year gave rise to much activity on the savings front. We saw the abolition of compulsory annuity purchase at retirement, the advent of Junior ISAs

and the building of the National Employment Savings Trust (NEST) – all against a backdrop of dire economic conditions. In 2012 TISA will again be keeping up the pressure, urging policymakers to deliver improved long term savings outcomes for consumers.

Certainly, in the light of ever declining numbers of employees saving into pensions and fewer employers offering a scheme of any kind, we have seen emerging consensus amongst the savings policy community to back the automatic enrolment pension project. With millions in the private sector saving little or nothing, the long term social implications are immense. A somewhat disappointing aspect to emerge already this year has therefore been the move to delay the proposed 'staging' of the implementation of auto-enrolment in order to make the plans more 'business friendly'. At least, starting in October, there will be a confirmed timetable in place, but for those excluded from auto-

enrolment until 2017, the negative impact on their pension pots will be significant.

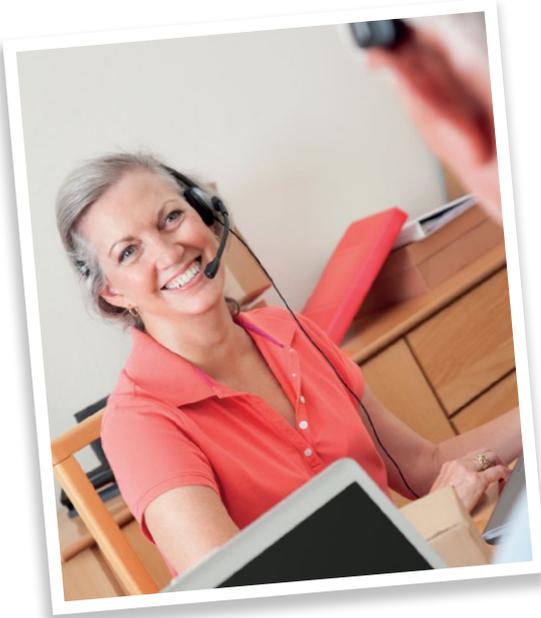
The publication last summer of a Green Paper by the DWP outlining a flat rate basic state pension at or above the current "Guarantee Credit" level of £140 per person was a welcome development. Current means testing of income benefits provides an automatic disincentive to save and cannot be right, however, lest life for those on the 'cusp' becomes something of a lottery, there are still some substantial wrinkles to be smoothed: when the flat rate is to be introduced; to whom it applies; when means tested benefits will be removed etc. The move is at least in the right direction and we look forward to announcements.

Finally, Lord Hutton's proposals to reform the pension regime in the public sector were met by industrial action in 2011. I envisage more public debate in 2012, for no matter the protestations, it remains inescapable that defined benefit pensions are rare in the private sector because they are largely unsustainable.

The UK savings success story revolves around ISAs. Such is their popularity 2012 will see the number of open accounts pass 20 million and the total invested touch £500 billion. It may not be the perfect template for policy implementation, but it has certainly been an effective way to encourage more of us to save. Simple, clear, accessible – there is a lesson to be learned here.

## Understanding the Older Entrepreneur

Malcolm Small, TISA director of policy, who is an associate fellow of the International Longevity Centre, has recently published a paper from the perspective of the ageing/longer working lives agenda, considering whether entrepreneurship might be a current or future option for some older workers. This is relevant to the pension policy debate, as the abolition of the default retirement age and poorer pensions are already resulting in more older people seeking to continue in work. The focus of this paper is on the managerial and professional classes, but running a business is also an option for trades people or, indeed, blue collar workers. To read the paper [click here](#).



## Hero Jack!

Congratulations to Malcolm Small who was named in the New Model Adviser heroes and villains list of 2011. Cast as hero Jack in the pantomime themed article, Malcolm was recognised for sowing the seeds of reform and pushing forward a number of high-profile campaigns that have since grown out of all proportion. Small's 'golden eggs' were quoted as including: platform to platform re-registration, legacy assets, a VAT adviser amnesty, distributor-influenced funds (see page 3) and most recently small pension pot transfers.



## TISA Exchange Limited (TeX)

In the last issue of Quarterly we included a Special Report on the re-registration project and an introduction to TeX, the 'contract club' to help facilitate the electronic transfer of assets. In this edition Carol Knight, director of member services at TISA and director of TeX gives an update on the latest developments:

Things are definitely hotting up! The contract terms and all other legal documents are very close to the final wording being in place, an operator has been appointed to manage the day to day operation of the register of members, final details of the insurance are almost completed, the website is under development and we are in the process of finalising the membership application form. From February, we will be able to accept members, giving you the opportunity to resolve all the issues surrounding liability in one easy process. If you would like to be among the first to join this ground-breaking club, please contact [carol.knight@tisa.uk.com](mailto:carol.knight@tisa.uk.com) or [jeffrey.mushens@tisa.uk.com](mailto:jeffrey.mushens@tisa.uk.com) for further details.

## Investment Funds Association (IFA) and TISA

We are extremely pleased to announce that the Investment Funds Association (IFA), which has produced a number of excellent documents on Distributor Influenced Funds over the past few years, has decided to merge its activities with TISA's.

In recent months, TISA has been co-ordinating a project on these funds which has resulted in the production of a report by Eversheds on the position of Distributor Influenced Funds in today's pre- and next year's post-RDR world. This report has been based on input from the FSA and the industry. The IFA has also provided invaluable assistance through its documents and contributions by its individual member firms.

An outcome of the work was a decision by the IFA that its objectives would better be achieved operating within TISA rather than independently. This is a view that TISA very much supports.

The FSA has recently introduced a classification of Centralised Investment Propositions (CIPs) which encompasses distributor influenced funds and a new Advisory Council has been formed to look at the strategic implications. This council will interact closely with the FSA to clarify any outstanding gaps and concerns that the Regulator may have on the ongoing sale and structure of these and related products.

Richard Freeman, MD of Intrinsic has kindly agreed to chair the new council. If you would like further information on the report, which is available free of charge, or on the new Advisory Council, please contact us at [www.tisa.uk.com](http://www.tisa.uk.com) or call 01642 666999.

## Petition on the AIM share ban on ISA investment

In a recent oral questioning session in the House of Lords Lord Northbrook asked government to consider allowing more AIM investments in ISAs and questioned why these shares are allowed into SIPP's but not in ISAs. Lord Sassoon, commercial secretary to the Treasury is quoted as stating the government could not risk damaging the trusted ISA brand by allowing more AIM shares and that the ISA brand and the products within it need to be protected.

However, there is an on-going petition opened by David O'Hara, Founder of Blackthorn Focus demanding an end to the ban on private investors holding AIM-listed shares in Individual Savings Accounts (ISAs).

The online petition, which is shown at the end of this article has almost 2,500 signatures to date and is open until September 2012, gives interested parties the opportunity to request the ban on AIM shares be lifted. It reads:

*The ban on AIM-listed shares being held within a self-select ISA deprives Britain's small and medium enterprises of a substantial source of capital – the private investor. The ban complicates the management of investments (e.g. when companies move from the Main Market to AIM) and denies the public a tax efficient wrapper for smallcap investments – a vital part of a diversified portfolio. The ban is also an unwelcome complication to the ISA investment rules. Private investors are a considerable source of capital and liquidity to the UK's smaller listed companies. The ISA ban on AIM shares forces private investors to direct their money elsewhere at a time when the UK's small and medium-sized companies have been identified as key players in the economic recovery. End the ban.*

The e-petition can be found at <http://petitions.direct.gov.uk/petitions/16111>

## Training news

TISA's training courses continue to attract members and non members alike and the two new courses 'ISA Key Facts' and 'Junior ISA Key Facts' are proving incredibly popular. Both courses take place inside and outside London and a number of in-house courses have been booked by companies wishing to hold a session at their own offices. If you would like to discuss the various options for these courses or any of TISA's other ISA workshops contact David Beaston on 01642 666999.

## Diary dates!

*Tuesday 6th March*

– Introduction to ISA Administration, London

*Thursday 8th March*

– Discussion forum, London

*Thursday 15th March*

– ISA Repair & Voids, London

*Thursday 22nd March*

– UK Retail Distribution seminar, London

*Thursday 22nd March*

– ISA Key Facts, Liverpool

*Tuesday 27th March*

– ISA Qualifying Investments, Edinburgh

*Thursday 26th April*

– ISA Repair & Voids, Edinburgh

*Wednesday 9th May*

– Wrap & Platform seminar, London

*Thursday 10th May*

– ISA Key Facts, London

*Tuesday 22nd May*

– ISA Qualifying Investments, London

*Wednesday 23rd May*

– Junior ISA Key Facts, London

*Tuesday 12th June*

– ISA Key Facts, Edinburgh

*Thursday 14th June*

– Discussion forum, London

*Wednesday 12th September*

– Junior ISA Key Facts, London

*Thursday 27th September*

– Distribution seminar, London

*Wednesday 17th October*

– AGM & Discussion forum, London

*Thursday 18th October*

– Wrap & Platform seminar, London

*Wednesday 14th November*

– Annual Conference, London

*Wednesday 28th November*

– Junior ISA Key Facts, London

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

## Breaking News – TISA Chairman

We are delighted to announce that Tony Solway, who has been on the TISA Board for a number of years has been approved as the successor to John Brasington when he steps down as TISA Chairman in June. Tony brings a wealth of experience to the role and the press release announcing his appointment can be [viewed here](#).

## Cash ISAs

The electronic transfers work undertaken by BACS is continuing apace and is on schedule for implementation in October 2012. A number of firms are participating in a 'Release implementation Group' working on the detail of implementation and BACS is finalising a communications plan so that all interested parties receive as much information as they need. TISA is continuing to support this area of work and will circulate all updates and details of workshops to member firms as soon as the information comes available, as will the BBA and BSA. An update will also be provided at the forthcoming TISA Discussion Forum in March – if you haven't already booked your place, further details and booking form can be found on the [TISA website](#).

# Junior ISAs... the story so far

Junior ISAs were launched in November 2011 and although only limited statistics are available at this early stage the indication from members is that parents have access to a variety of options.

To date HMRC has indicated no plans to publish a list of Junior ISA (JISA) providers so TISA has asked all ISA Managers (members and non members of TISA) listed on its transfer's database to confirm whether they are offering such products.

A list of ISA Managers that have launched a JISA will be maintained by TISA and is accessible on the TISA website or via [this link](#).



## ISA reinstatement

In its bulletin (number 40) issued in December 2011, HM Revenue & Customs announced its intention to change the ISA rules to allow investors to make a single ISA reinstatement payment outside normal subscription limits. The TISA bulletin which includes details of the proposal and the intention to publish draft amending regulations for comment can be found by [clicking here](#).

## Contact us

Comments and questions about Quarterly are welcomed. Contact: [Jill.Crowell@tisa.uk.com](mailto:Jill.Crowell@tisa.uk.com)



## Member news

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

### New members since November 2011:

CWC Research  
KPMG  
Steve Dyson Associates  
The Tax Payers Alliance

### New TISA staff member:

Lisa Burbidge joins TISA in an accounts role

Pan Andreas joins Sesame Bankhall Group  
Andrew Butcher is moving from Charles Stanley to Rathbones  
Martin Coyle to join Aegon  
John McNeil joins Nucleus

Toby Thompson joins Brooks Macdonald  
Phil Wagstaff joins Henderson Global Investors

Issue 06  
coming in  
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