



# SA INC 2010 and BEYOND

ASISA

## Aligning to International Trends

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## ••➤ Aligning to International Trends

-IOSCO

-UCITS III and IV

- G20



Revision of Notice 1503-determines which securities, classes of securities, assets or classes of assets that may be included in a portfolio of a CIS in securities and the limits and conditions under which they may be included

Draft was posted on website.-Events overtook this

Called for written reasons/motivation for changes

Reasons received

This is now work in progress.



## **IOSCO- Good Practices in Relation to Investment Managers' Due Diligence - in Structured Finance Instruments**

- CMF and Dividend Funds have reference

## **Principles on Point of Sale Disclosure, Report of the Technical Committee of IOSCO**

- ASISA deals with this as a SRO

## **Objectives and Principles of Securities Regulation-**

- Some changes at the core including hedge funds



## Good Practices in Relation to Investment Managers' Due Diligence

- ❖ A SFI is different from investing in a plain vanilla instrument. The risks are different, and call for a tailored due diligence process.
- ❖ If you do not understand a SFI, do not buy it.
- ❖ Due diligence is a value-added process. It is not a plain box-ticking process.
- ❖ Due diligence is generally a three step, and iterative process, which is structured around the understanding of the underlying assets of the SFI, of its structure and of how it fits into the CIS's mandate.
- ❖ Due diligence is not a static process. It ends when the SFI is divested.



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## **Principles on Point of Sale Disclosure, Report of the Technical Committee of IOSCO**

Inform the investor of the fundamental benefits, risks, terms and costs of the product and the remuneration and conflicts associated with the intermediary through which the product is sold.

Be made available, for free, to an investor before the point of sale, to allow an informed decision about whether to invest

Be delivered or made available in a manner that is appropriate for the target investor.



## **Principles on Point of Sale Disclosure, Report of the Technical Committee of IOSCO**

Plain language ,a simple, format to facilitate a meaningful comparison of information disclosed for competing products.

Be clear, accurate and not misleading to the target investor. Disclosures should be updated on a regular basis

In deciding what key information disclosure to impose on intermediaries and product producers, regulators should consider who has control over the information that is to be disclosed



## Objectives and Principles of Securities Regulation-Consultation document

Information Intermediaries - Rating Agencies

Systemic risk

Perimeter of Regulation

Hedge Funds-Incorporating hedge funds into the existing CIS principles therefore requires a recognition that regulation relating to hedge funds might not necessarily be equivalent to regulation for other more traditional CIS.



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THANK YOU