

Summary of discussion

Institutional Disclosure Working Group (IDWG)

Meeting 7 September 2017 (11:30-13:30)

Draft terms of reference

1. Members discussed the draft terms of reference and suggested changes to drafting and clarifications including, but not limited to, noting that the scope should be all asset managers, fees and charges will include only those borne by the fund/mandate and not absorbed by the fund manager and that alignment with current and future regulatory standards should be explicitly mentioned.
2. Members were in agreement that it needs to have a clear definition of institutional investor.

General discussion points on the direction of the IDWG

3. Members agreed that IDWG work should be informed by all previous and current relevant work in this space. It was noted that there is no representation for insurers on the IDWG. Members noted the importance of outreach to seek feedback on the work of the IDWG.
4. Members discussed how there are benefits to avoiding strictly and rigidly defining all terms at the beginning of the process. It was noted that this may delay proceedings and, as the market evolves constantly, setting definitions in stone would mean they would have to be continually updated.
5. It was noted that the IDWG may consider issues parallel but connected to the areas within the main scope of the groups' objectives.
6. The discussion noted that their outputs would be recommendations to the FCA, and that there are different potential actions that the FCA could take as a result of these recommendations. Members were in agreement that an example of a useful outcome could be for the FCA to endorse a recommendation (i.e. a template). The importance of reaching an outcome that works for all sides and parties was reinforced, as it would be hard for the FCA to endorse something that only worked for one part of the market.

Deliverables – breadth of coverage and depth of data

7. Members agreed that basic data elements should be tackled first, and that smaller topics should be covered by sub-working groups who would report back to the main group.

8. Members discussed the need to clarify what 'mainstream' means in this context and noted that defining 'mainstream' too narrowly, for example as 'listed securities only', would be inappropriate. Most members appeared in agreement that a common sense understanding of these terms would be sufficient, and that this common sense understanding is that 'non-mainstream' includes, but is not limited to, alternative asset classes and 'mainstream' includes, but is not limited to, listed securities.

Deliverables – adoption of the template

9. Members agreed that there are open questions for the group including:
- a. How does the group encourage the adoption of the template?
 - b. How does the group produce something that is complied with?
 - c. What mechanism should be used to ensure that both the provider and user are satisfied?

Deliverables – confirming compliance with the data standards set by the IDWG

10. Members discussed whether IDWG recommended standards may change over time and how this should be taken into account.

Indicative timeline

11. Members noted that the Terms of Reference set an expectation that the IDWG will have tangible outputs open for scrutiny at Christmas. The Chair noted that if the IDWG could agree internally on something by Christmas then market testing can follow. Some members expressed concern that it is difficult to assess suggested timelines and commit to a deadline if it is unclear exactly what work needs to be done yet, and how this work will be split up.

Sub-working groups

12. Sub-working groups were launched on:
- a. Sectors/topics including:
 - Long equity
 - Fixed income
 - FX
 - Private equity
 - b. Framework for deciding whether there are any other relevant topics
 - c. The existing landscape outside of the IDWG