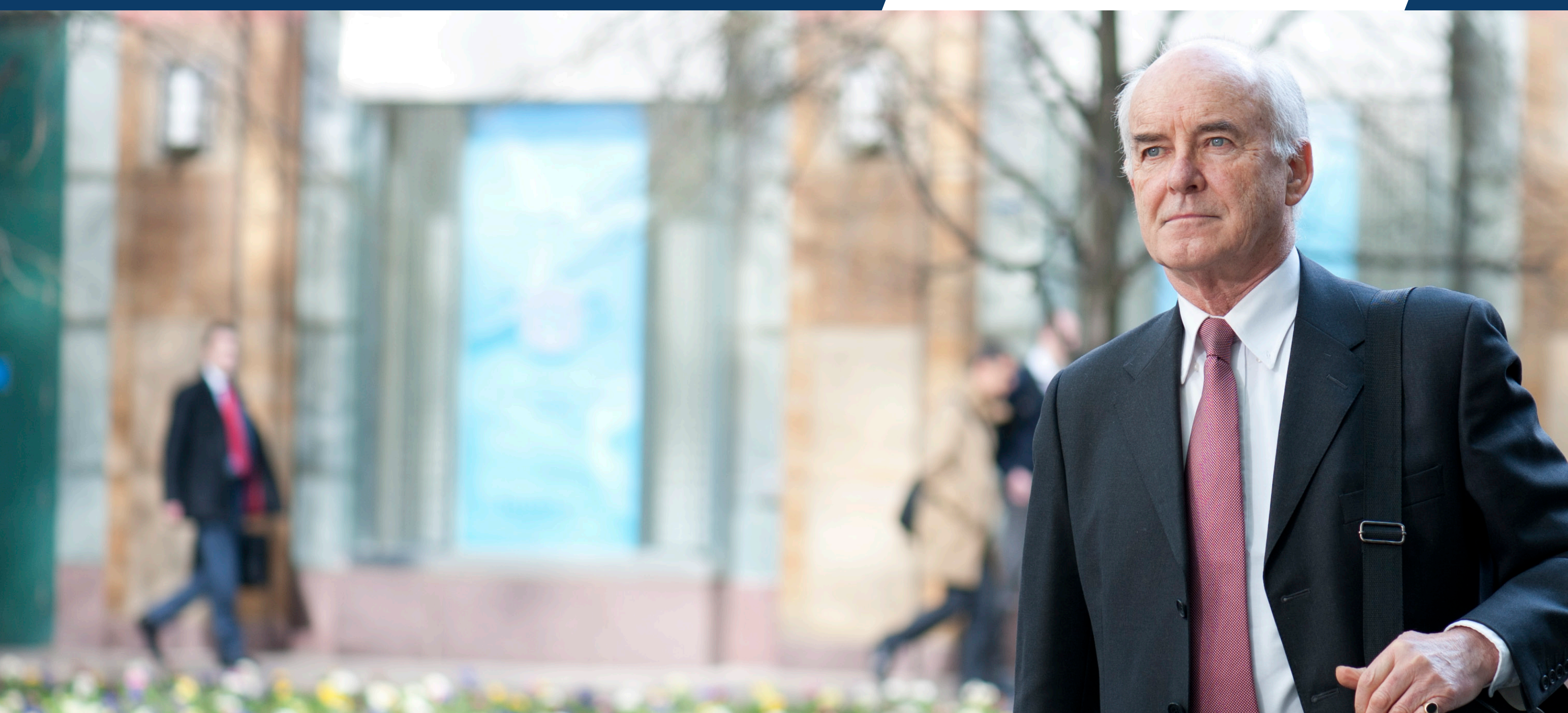
Financial Conduct Authority

Consultation Paper CP14/5**

Changes to regulatory reporting: Adviser and consultancy charging, Authorised Professional Firms (APFs) and Product Sales Data (PSD)

March 2014



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We are asking for comments on:

- questions 6, 7, 8, 11 and 12 by 7 April 2014; and
- questions 1, 2, 3, 4, 5, 9, 10 and 13 by 6 June 2014.

You can send them to us using the form on our website at:
www.fca.org.uk/your-fca/documents/consultation-papers/cp14-05-response-form.

Or in writing to:

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We make all responses to formal consultation available for public inspection unless the respondent requests otherwise. We will not regard a standard confidentiality statement in an email message as a request for non-disclosure.

Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

You can download this Consultation Paper from our website: www.fca.org.uk. Or contact our order line for paper copies: 0845 608 2372.

Abbreviations used in this document

AIFMD	Alternative Investment Fund Managers Directive
APF	Authorised Professional Firms
DWP	Department for Work and Pensions
FCA	Financial Conduct Authority
GABRIEL	Gathering Better Regulatory Information Electronically
HMRC	HM Revenue & Customs
MMR	Mortgage Market Review
PSD	Product Sales Data
RDR	Retail Distribution Review
RMAR	Retail Mediation Activities Return

1.
Overview

Introduction

1.1 Data plays an important role in how we supervise firms. It identifies potential and emerging risks and allows our supervisory resources to be targeted effectively. Data also informs our policy development and allows us to monitor the market.

1.2 In September 2013, we published our Data Strategy.[1] This sets out our vision for the data we collect and hold, which is to ensure all data we collect is actionable, integrated and fully accessible across the FCA to help us meet our objectives.

1.3 This Consultation Paper (CP) forms part of our ongoing commitment to ensure the data we require firms to provide is collected appropriately. We are proposing a number of changes to the data we collect from certain regulated firms through the Retail Mediation Activities Return (RMAR) and annual questionnaire for Authorised Professional Firms (APFs).

1.4 We currently collect adviser charging and consultancy charging data from investment advice firms through Sections K and L of the RMAR. Based on feedback and technical queries from firms, we are consulting to:

- provide greater clarity around the adviser charging data that firms should report through Section K of the RMAR
- introduce changes to how we collect this data with the aim of reducing the reporting obligation for firms
- retire Section L of the RMAR, which relates to consultancy charging.

1.5 The annual questionnaire completed by APFs is currently conducted in paper or email form. We are consulting to revise the reporting requirement and bring the questionnaire into GABRIEL as a new form.

1.6 We are also consulting on a minor change to the submission of Product Sales Data (PSD), which we hope will improve clarity around the PSD reporting requirements.

1 See http://www.fca.org.uk/static/documents/corporate/fca-data-strategy.pdf

Who does this consultation affect?

1.7 The proposals in Chapter 2, which relate to the RMAR, will be of direct interest to firms:

- that provide personal recommendations to retail clients in relation to retail investment products
- that give advice, or provide services, to an employer in connection with a group personal pension scheme or group stakeholder pension scheme.

1.8 The proposals included in Chapter 3, which relate to the Annual Questionnaire for APFs, will be of direct interest to Authorised Professional Firms subject to the reporting requirement in SUP 16 Annex 9R.

1.9 The proposals in Chapter 4, which relate to Product Sales Data, will be of direct interest to any firms who are or will be subject to the Product Sales Data requirements in SUP 16.11.

Is this of interest to consumers?

1.10 The proposals set out in this consultation relate to the information we collect from certain regulated firms through the RMAR, the annual questionnaire for APFs and Product Sales Data. This consultation is unlikely to be of direct interest to consumers.

Context

1.11 We collect data from regulated firms to help ensure that financial markets function well. The data collected through the RMAR, PSD and annual questionnaire for APFs relate to two of our three operational objectives, those of consumer protection and effective competition.

1.12 Our consumer protection objective requires us to secure an appropriate degree of protection for consumers. The adviser and consultancy charging data we collect through the RMAR, sales data through PSD and information captured from APFs through the annual questionnaire was designed to help us proactively identify issues within individual firms and in the market as a whole which may lead to consumer detriment. We also use this data to advance our competition objective, as it helps us to spot potential competition issues. The ability to identify these issues in a timely and proportionate manner helps us to address potential risk promptly and reduce the instances of consumer detriment.

1.13 The changes we are proposing to the data items in this consultation will help us to fulfil these objectives while also making the data obligations on firms proportionate. This acknowledges the burden that too many requirements can place on regulated firms.

1.14 Our competition objective requires us to promote effective competition in the interests of consumers. The RMAR and APF questionnaire proposals set out in this consultation should result in a small cost saving for firms. While this cost saving is unlikely to have a material impact on competition, any impact would have the marginal effect of reducing barriers to entry.

Summary of our proposals

Changes to adviser and consultancy charging reporting

1.15 Following the introduction of the Retail Distribution Review (RDR), we started collecting data on adviser charging and consultancy charging from investment advice firms. As firms started providing this data for the first time, we received feedback and a number of technical queries from firms and trade associations.

1.16 Based on the feedback we have received, we propose to make a number of changes to the data we collect, with the aim of providing greater clarity around what firms should report and easing the reporting obligation placed on firms.

1.17 In relation to the adviser charging data collected through Section K of the RMAR, we propose to:

- incorporate the contents of an interim technical note that we published in November 2013 with the aim of helping firms report accurate data into our Handbook, so that all guidance related to providing this data is in one place. This note was designed as an immediate first step to help firms report adviser charging data to us by guiding them through the completion of Section K of the RMAR and answering a number of technical queries we had received from individual firms;
- clarify the field labels used on the data collection form and streamline the form so it is easier for firms to complete;
- reduce the reporting obligation for investment advice firms by requiring adviser charging data to only be reported annually as opposed to the current six-monthly requirement;
- allow firms to complete Section K of the RMAR on either a cash or accruals accounting basis.

1.18 Since we started collecting consultancy charging data from firms in Section L of the RMAR, the Department for Work and Pensions (DWP) has introduced a ban on the reduction in benefits for qualifying schemes where the amount is to be paid to a third party under an agreement between the employer and third party. This has had the effect of preventing consultancy charges from being deducted from automatic enrolment pension schemes. As a result, we are proposing to remove the requirement for firms to provide consultancy charging data through Section L of the RMAR.

Changes to the annual questionnaire for Authorised Professional Firms

1.19 In line with our commitments under our Data Strategy, we have been reassessing the data collected from firms. The annual questionnaire for Authorised Professional Firms is one example of a regular report that is still submitted manually outside our GABRIEL reporting system.

1.20 We therefore propose to bring the questionnaire into GABRIEL for the first time and revise the form, in the process reducing the number of questions by around 75%. The new form is accompanied by a set of guidance notes, added as a new annex under SUP 16 Annex 9A.

Changes to Product Sales Data reporting

1.21 The change we are proposing to PSD reporting requirements amends the provision to require relevant firms, who have not made any relevant sales during the period, to report a nil return to the FCA. This minor proposal will help us use our resources in the most efficient way by reducing the resources dedicated to following up where a PSD report is not submitted.

Equality and diversity considerations

1.22 We have assessed the likely equality and diversity impacts of the proposals set out in this consultation and do not think they give rise to any concerns. However, we would welcome your comments.

What do you need to do next?

1.23 Please send us your comments on:

- questions 6, 7, 8, 11 and 12 by 7 April 2014
- questions 1, 2, 3, 4, 5, 9, 10 and 13 by 6 June 2014.

1.24 You can provide comments using the online response form on our website or by writing to us at the address on page 2.

What will we do?

1.25 We will consider the feedback received and publish a Handbook Notice policy statement in late 2014.

2.
Changes to adviser and consultancy charging reporting

Introduction

2.1 Following the introduction of the Retail Distribution Review (RDR) on 31 December 2012, we started collecting data on adviser charging and consultancy charging from investment advice firms through the Retail Mediation Activities Return (RMAR). Based on feedback and technical queries that we received from firms, and in line with our Data Strategy, we propose to:

- provide greater clarity around the adviser charging data firms should report through Section K of the RMAR
- introduce changes to the reporting form and the frequency with which we collect this data, with the aim of reducing the reporting obligation for firms.

Background to the adviser charging data collection

2.2 We collect adviser charging data from investment advice firms through Section K of the RMAR for five primary purposes. These are to:

- assess firms' compliance with the adviser and consultancy charging rules
- enable our supervisory resources to be targeted effectively
- understand the business being undertaken by each firm and any risks associated with the business
- assess risks in the market as a whole
- provide insight into the adviser charging landscape.

2.3 When developing the RDR, we identified a number of key risks and potential unintended consequences we committed to monitoring and, where appropriate, taking steps to mitigate. The adviser charging data we collect is fundamental to enable us to fulfil this commitment. This data, analysed alongside other available information such as the data collected from investment product providers through the Product Sales Data (PSD), helps us identify whether:

- Consumers are being charged excessively high fees, which may indicate charges are being manipulated or hidden or disclosure requirements are not being met.

- An advisory firm, holding itself as independent, is misrepresenting the service it provides. For example, an independent advice firm placing an unduly large proportion of business with a specific investment product provider may suggest it is not meeting the independence requirement at COBS 6.2A.3R.

- An investment product provider's ability and willingness to facilitate an adviser charge is inappropriately influencing personal recommendations given to consumers.

- An advisory firm is allowing clients to spread the payment of an initial adviser charge, for advice related a lump sum investment, over time. This is prohibited by COBS 6.1A.22R.

- Consumers paying for ongoing advice are likely to be receiving the service they are paying for.

2.4 As well as monitoring these risks, the data enables us to track market developments that inform our ongoing policy work. This includes the relative importance of initial versus ongoing adviser charging revenue, independent versus restricted advice and payment mechanisms for adviser charges.

2.5 Before seeking to collect adviser charging data from investment advice firms, we undertook a formal public consultation.[2] Respondents to this consultation were broadly supportive of the need for us to collect adviser charging data and accepted that this should be collected through the RMAR. Respondents also raised a number of technical queries which we sought to clarify through Handbook guidance.

Why we are issuing this consultation

2.6 In 2013, as investment advice firms started reporting adviser charging data for the first time, we received feedback and a number of technical queries from firms and trade associations. This feedback highlighted three potential issues with the data we collect:

- an uncertainty around what information firms should report through Section K of the RMAR – highlighting a lack of clarity in our Handbook guidance

- concern with regard to the demands that the frequency of reporting adviser charging data places on investment advice firms

- concern that, by requiring adviser charging data to be reported on an accruals accounting basis, some smaller investment advice firms were incurring additional reporting costs where they complete their HMRC accounts on a cash accounting basis.

2.7 To address the uncertainty around how firms should complete Section K of the RMAR, we published an interim technical note in November 2013. This note sought to guide firms through completing the form. A copy of this note is available on our website.[3]

2.8 While we took immediate action to clarify how firms should complete Section K of the RMAR, we are aware that broader concerns remain around the data we are seeking to collect.

Proposed changes to the adviser charging data we collect from firms

2.9 The adviser charging data we collect through the RMAR remains essential to our supervision of investment advice firms and to enable us to monitor the effects of the RDR more generally.

2 The Consultation Paper covering this topic is available at: http://www.fsa.gov.uk/pubs/cp/cp11_08.pdf with the Policy Statement available at: http://www.fsa.gov.uk/pubs/policy/ps11_13.pdf.

3 http://www.fca.org.uk/your-fca/documents/completing-section-k-of-the-retail-mediation-activities-return-rmar

However, we recognise the need to ensure the reporting obligation we are place on firms is proportionate to our use of the data. As such, we propose to make four changes to the adviser charging data we collect from firms.

1. Incorporate the contents of the interim technical note into Handbook guidance

2.10 The interim technical note, published in November 2013, was intended as an immediate first step to help investment advice firms report adviser charging data to us by guiding firms through completing Section K of the RMAR and answering the technical queries that we received from firms around reporting this data. It was designed to be read in conjunction with the existing Handbook guidance included in SUP 16 Annex 18b.

2.11 The informal feedback we have received suggests that firms have found the interim technical note helpful when completing Section K of the RMAR. We, therefore, propose to incorporate the contents of this note into our existing Handbook guidance so that all relevant guidance designed to help firms report adviser charging data through the RMAR is in one, easily accessible place. The draft Handbook text achieves this in incorporating all of the material guidance contained in the note. As part of this, we also propose to replace parts of the existing Handbook guidance which, based on feedback from firms, appears unclear.

> **Q1: Do you agree that we should incorporate the contents of the interim technical note to help firms complete Section K of the RMAR into our Handbook?**

2. Clarify the field labels used on the Section K data collection form and streamline the form to make it easier for firms to complete

2.12 The feedback we have received from firms has highlighted that the labelling of the fields on the data collection form are, in some places, unclear. In particular, there has been uncertainty around whether each field requires a monetary amount or number to be reported. Although the interim technical note sought to clarify this, we recognise that the field labels could be usefully improved to reduce the need for firms to refer to the guidance in the first place.

2.13 We have also received feedback from firms indicating that the design of the data collection form makes it difficult and unnecessarily time consuming to complete. In particular, firms that exclusively provide independent or restricted advice have found the form difficult to navigate since some of the fields are not relevant to their business. In a number of places, firms are also required to manually add up different fields to report a total figure.

2.14 As a result of the feedback we have received, we propose to make a number of changes to the field labels and streamline the form so it is easier to complete. By proposing to change the field labels used on the Section K data collection form and streamline the form, subject to the following exceptions, we are not materially changing the data firms should report or requiring firms to provide new data. The only exceptions are to enable firms to select whether they are completing Section K on an accruals or a cash accounting basis and to require firms to indicate what type of advice their firm provides in *row 1* of the streamlined form.

2.15 In streamlining the data collection form, we will need to assign new field references to each field. For example, revenue for initial adviser charges paid directly by retail clients in respect of independent advice is currently reported in *row 1* of *column A* (A1). In the streamlined form, this is now A2.

2.16 The proposed streamlined data collection form is set out below.

SECTION K: Adviser charges

Types of advice provided		A
1	Indicate the type(s) of advice provided by the firm	Independent / Restricted / Both

Section 1 - Independent advice

		A	B	C
		Adviser charges paid direct by retail clients	Adviser charges facilitated by product providers	Adviser charges facilitated by platform service providers or discretionary investment managers
Retail investment products revenue from adviser charges (monetary amount)				
2	Revenue from all initial adviser charges including initial, one-off and ad hoc adviser charges			
3	Revenue from ongoing adviser charges			
Payments of initial adviser charges (number)				
4	Aggregate number of initial adviser charges payable as lump-sum payments due from retail clients within the reporting period			
5	Aggregate sum of the proportion of initial adviser charges, payable through regular instalments, due from retail clients within the reporting period			

Number of one-off advice services (number)		A
6	Total number of initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	

Section 2 - Restricted advice

		A	B	C
		Adviser charges paid direct by retail clients	Adviser charges facilitated by product providers	Adviser charges facilitated by platform service providers or discretionary investment managers
Retail investment products revenue from adviser charges (monetary amount)				
7	Revenue from all initial adviser charges including initial, one-off and ad hoc adviser charges			
8	Revenue from ongoing adviser charges			
Payments of initial adviser charges (number)				
9	Aggregate number of initial adviser charges payable as lump-sum payments due from retail clients within the reporting period			
10	Aggregate sum of the proportion of initial adviser charges, payable through regular instalments, due from retail clients within the reporting period			

Number of one-off advice services (number)		A
11	Total number of initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	

Section 3 - Number of ongoing services provided including both independent and restricted

Retail clients paying for ongoing advice services (number)		A
12	Number of retail clients paying for ongoing advice services at the end of the reporting period	
13	Number of retail clients who started paying for ongoing advice services during the reporting period	
14	Number of retail clients who stopped paying for ongoing advice services during the reporting period	

Section 4 - Typical charging for both independent and restricted advice

What types of adviser charging structures are offered?		A	B	C	D	E
		Independent advice		Restricted advice		Typical charging structure
		Minimum	Maximum	Minimum	Maximum	
15	Initial adviser charge per hour (monetary amount)					Yes / No
16	Initial adviser charge as percentage of investment (%)					Yes / No
17	Initial adviser charge as a fixed fee (monetary amount)					Yes / No
18	Initial adviser charge as a combined charging structure (monetary amount)					Yes / No
19	Ongoing adviser charge per hour (monetary amount)					Yes / No
20	Ongoing adviser charge as percentage of investment (%)					Yes / No
21	Ongoing adviser charge as a fixed fee (monetary amount)					Yes / No
22	Ongoing adviser charge as a combined charging structure (monetary amount)					Yes / No

Has this section been completed on an accruals or cash accounting basis?

2.17 The proposed changes to the field labels and data collection form are mapped out in the table below.

Existing field reference(s)	Proposed changes to the field labels used on Section K of the RMAR	Revised field reference(s) on streamlined form
Column labels		
Column A for rows 1-6	Independent advice: Adviser charges ~~invoiced~~ paid direct ~~to~~ by retail clients	Column A – rows 2-5
Columns B for rows 1-6	Independent advice: Adviser charges ~~invoiced via~~ facilitated by product providers	Column B – rows 2-5
Columns C for rows 1-6	Independent advice: Adviser charges ~~invoiced via~~ facilitated by platform service providers or discretionary investment managers	Column C – rows 2-5
Column D for rows 1-6	Restricted advice: Adviser charges ~~invoiced~~ paid direct ~~to~~ by retail clients	Column A – rows 7-10
Column E for rows 1-6	Restricted advice: Adviser charges ~~invoiced via~~ facilitated by product providers	Column B – rows 7-10
Column F for rows 1-6	Restricted advice: Adviser charges ~~invoiced via~~ facilitated by platform service providers or discretionary investment managers	Column C – rows 7-10
Column G for rows 1-6	Total [of columns A-F]	None – all total fields removed
Row labels		
Row 1	Revenue from all initial adviser charges including initial, one-off and ad hoc adviser charges	Row 2 for independent advice Row 7 for restricted advice
Row 2	Revenue from ongoing adviser charges	Row 3 for independent advice Row 8 for restricted advice
Row 3	TOTAL	None – all total fields removed
Row 4	Aggregate number of initial adviser charges ~~invoiced~~ payable as lump-sum payments due from retail clients within the reporting period	Row 4 for independent advice Row 9 for restricted advice

Row 5	Aggregate sum of the proportion of initial adviser charges, payable through regular instalments, due from retail clients within the reporting period ~~charges invoiced as regular payments~~	Row 5 for independent advice Row 10 for restricted advice
Row 6	Aggregate of initial adviser charges (invoiced as either a lump sum or regular payments)	None – all total fields removed
Row 7	Total ~~N~~number of ~~one-off~~ initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	Row 6 for independent advice Row 11 for restricted advice
Row 8	Number of retail clients paying for ongoing advice services at the end of the reporting period	Row 12
Row 9	Number of retail clients who started paying for ongoing advice services during the reporting period	Row 13
Row 10	Number of retail clients who stopped paying for ongoing advice services during the reporting period	Row 14
Rows 11	Initial adviser charge per hour ~~(£)~~ (monetary amount)	Row 15
Rows 12	Initial adviser charge as percentage of investment (%)	Row 16
Rows 13	Initial adviser charge as a fixed fee ~~(£)~~ (monetary amount)	Row 17
Rows 14	Initial adviser charge as a combined charging structure ~~(£)~~ (monetary amount)	Row 18
Rows 15	Ongoing adviser charge per hour ~~(£)~~ (monetary amount)	Row 19
Rows 16	Ongoing adviser charge as percentage of investment (%)	Row 20
Rows 17	Ongoing adviser charge as a fixed fee ~~(£)~~ (monetary amount)	Row 21
Rows 18	Ongoing adviser charge as a combined charging structure ~~(£)~~ (monetary amount)	Row 22
-	Indicate the type(s) of advice provided by your firm [independent/restricted/both]	Row 1
-	Has this section been completed on an accruals or cash accounting basis?	-

Q2: Do you agree with our proposal to improve the labelling of the fields used on the Section K data collection form? Do you have any comments on our proposed changes to these labels?

Q3: Do you agree with our proposal to streamline the Section K data collection form? Do you have any suggestions for how the form could be further streamlined to make it easier for firms to complete?

3. Reduce the reporting obligation for investment advice firms by only requiring adviser charging data to be reported annually

2.18 Our current rules require investment advice firms to complete Section K of the RMAR on a six-monthly basis. Collecting this data every six months is useful to both our supervisory work and to monitor the market more generally. However, we recognise that this places a significant half-yearly reporting obligation on investment advice firms.

2.19 To ease the reporting obligation on investment advice firms, we propose to only collect adviser charging data through Section K of the RMAR on an annual basis. We consider that this strikes an appropriate balance between the need to collect regular adviser charging data and the cost and time incurred by investment advice firms to report this information to us. Subject to the outcome of this consultation, we would look to introduce annual reporting for Section K by the end of 2014 to allow appropriate lead time for the necessary system changes to be introduced.

Q4: Do you agree that we should only collect adviser charging data through Section K of the RMAR on an annual basis?

4. Allow firms to complete Section K of the RMAR on a cash or accruals accounting basis

2.20 When consulting on collecting adviser charging data through CP11/8, firms told us it would be easier and more appropriate to report this data on an accruals accounting basis. This would be consistent with conventional accounting principles and allow data to be more easily reconciled with information provided by third parties, such as product providers.

2.21 However, informal feedback we have subsequently received from smaller investment advice firms suggests that reporting adviser charging data on an accruals basis creates additional reporting costs. There appears to be a variety of views among industry practitioners on the accounting basis under which it would be easiest to report adviser charging data. We have therefore reviewed what impact there would be on the usefulness to us of this information if we allowed firms to elect to complete Section K of the RMAR on either a cash or accruals basis. Relevant issues include creating:

- inconsistencies when comparing data across firms
- inconsistencies between data supplied by individual firms where they change the basis on which they report adviser charging data from one year to the next
- a margin of error when aggregating and reviewing data covering the whole market to track trends or developments
- differences between the adviser charging revenue reported in Section B of the RMAR and that reported in Section K, where Section K is reported on a cash accounting basis.[4]

2.22 Having considered the impact, we do not feel it will be material for our use of the adviser charging data we collect. We therefore propose to allow all investment advice firms to complete Section K only of the RMAR on either a cash or accruals accounting basis, thereby reducing the reporting obligation for some investment advice firms.

2.23 To ensure we are still able to effectively use this data as part of our supervisory work, we also propose to require firms to indicate through GABRIEL on which accounting basis they have

4 Section B of the RMAR is the firm's profit and loss account, which includes its regulated business revenue for the reporting period.

completed Section K. This will help explain any differences between data provided through Sections K and B1 of the RMAR or any inconsistencies when firms change the basis of their submissions from one year to the next. This will also benefit firms, as it will reduce the need for us to query the data they have provided.

2.24 Subject to the outcome of this consultation, we expect to allow firms to complete Section K of the RMAR on a cash or accruals basis for reports with a reporting period ending after 31 December 2014.

> **Q5: Do you agree that firms should be able to report adviser charging data through Section K of the RMAR on either a cash received or accruals accounting basis? If not, please explain why.**

Proposed changes to the consultancy charging data collected through Section L of the RMAR

2.25 Following the introduction of the consultancy charging rules on 31 December 2012, we started collecting data on consultancy charging through Section L of the RMAR. As with the adviser charging data we collect, we have been using this data in our supervisory work and to monitor the market more generally.

2.26 Since we started collecting this data, the Department for Work and Pensions (DWP) has introduced a ban on the reduction in benefits for qualifying schemes where the amount is to be paid to a third party under an agreement between the employer and third party. This has prevented consultancy charges from being deducted from automatic enrolment pension schemes. As a result, we are expecting the volume of data to be reported on consultancy charging to significantly reduce or, in the case of some firms, cease altogether.

2.27 We therefore propose to remove the requirement for firms to provide consultancy charging data through the RMAR by retiring Section L of the RMAR. Given the expected significant reduction in consultancy charging data that would otherwise be collected through Section L of the RMAR, we do not consider that retiring Section L will have a material impact on our ability to fulfil our statutory objectives.

> **Q6: Do you agree that we should stop collecting consultancy charging data through the RMAR?**

3.
Changes to the Annual Questionnaire for Authorised Professional Firms (APFs)

3.1 In September 2013 we published our Data Strategy, setting out why data is important to us as a regulator and how we want to collect and use data in the future. A fundamental part of the Data Strategy is ensuring that the data that we collect is fit for purpose, collected appropriately and managed and stored in appropriate technology solutions.

3.2 In line with this we are committed to reducing the amount of regulatory reporting conducted in paper or email form and bringing reporting requirements into appropriate systems.

Who does the APF questionnaire apply to?

3.3 Under SUP 16.12.30R, an APF, other than one that must comply with IPRU(INV) 3, 5 or 13 in accordance with IPRU(INV) 2.1.4R must submit an annual questionnaire contained in SUP 16 Annex 9R unless it meets the criteria detailed in SUP 16.12.30R(1)(a) and (b).

3.4 The APF questionnaire is currently scheduled on GABRIEL as NGP004 for automated reminder purposes. APFs receive three reminder emails before the submission deadline. It is not possible to submit the questionnaire through the system.

Our proposed changes to the APF questionnaire

3.5 The guidance notes in the APF questionnaire direct firms to submit the return via one of the methods detailed in SUP 16.3. In practice, this means that we receive the return by email, post or fax. Completing the existing return is extremely time-consuming for firms and labour intensive for us in terms of analysis and supervision.

3.6 The APF questionnaire was last reviewed and revised in 2007. It currently resides in SUP 16 Annex 9R of our Handbook as a PDF return with 73 questions. With the FCA taking over the regulation of consumer credit from April 2014, changes are required to the questionnaire to reflect consumer credit activities.

3.7 Alongside these changes we have reviewed the existing APF return in line with our organisational objectives and our Data Strategy and propose the following:

- We intend to change this so that the return can only be submitted using our GABRIEL reporting system. The APF questionnaire will be brought into the system as data item FIN-APF.

- We have also taken this opportunity to reassess the information requested within this form in line with our Data Strategy and our supervisory appetite. We propose to revise the form from 73 to 17 questions aligned with our organisational and statutory objectives. Guidance notes for completing this form will be added as a new annex under SUP 16 Annex 9A as highlighted in the new SUP 16.12.30R(2A) provision.

3.8 While the revised form reduces the reporting requirement significantly, there are one or two areas in which we have requested new data. This allows us to reduce the number of questions but still retain the level of supervisory oversight over APFs required under FSMA. We have tried to minimise the number of additions as much as possible.

3.9 We have requested additional data for professional indemnity insurance and included additional fields to align the data requested with that required of other authorised firms. Other fields may have been reformatted to allow more efficient reporting, but we believe that the underlying requirements remain the same as those in the existing form.

3.10 In our pre-consultation analysis of the firms submitting this return we identified that almost all of the firms submitting this return already have access to GABRIEL for scheduling purposes. As such, we believe that these proposals do not incur any significant additional requirements upon firms and actually make meeting the requirement easier. Where there are firms subject to the reporting requirement that do not have access to GABRIEL we will work with those firms to set them up on the system.

3.11 The new guidance notes in SUP 16 Annex 9A are designed to help firms complete the new questionnaire in line with the existing convention for reports in SUP 16 of our Handbook. It is proposed that the new form and guidance annex will take effect at the same time as consumer credit reporting on 1 October 2014.

Benefits for APFs and the FCA

3.12 We believe that there are clear benefits for both APFs and the FCA in adopting these proposals:

- Reduction in the reporting obligation on firms – in reducing the number of questions by around three quarters we believe that the proposals result in a positive outcome for firms. This is both in terms of the volume of information and the manual manner in which it is currently provided.

- Effective use of our resources – FSMA directs us to use our resources in the most cost-effective way possible. Bringing the return into our GABRIEL reporting system increases the efficiency of our analysis and supervision, allowing the data to be easily manipulated and interpreted.

- Certainty around receipt – manual reporting (i.e. that conducted by post, email or fax) is more susceptible to submission issues than online submission. We believe that these proposals will provide certainty to firms over whether their submission has been received.

Q7: Do you agree with our proposals to change the submission method by bringing the APF questionnaire into GABRIEL as FIN-APF?

Q8: Do you agree with our proposals to reduce and make minor adjustments to the data requested in the APF questionnaire?

4.
Change to Product Sales Data reporting

4.1 Since October 2012, Product Sales Data (PSD) has been submitted through the FCA's central reporting system, GABRIEL. The requirement in SUP 16.11.3R(3) states that a firm does not need to submit a data report if no relevant sales have been made in the reporting period. We are proposing to introduce a change to this rule requiring such firms to provide a nil return in these circumstances.

4.2 Policy developments including consumer credit and our mortgage market review (MMR) all make changes to PSD requirements and increase the volume of PSD reporting markedly.

4.3 With the increase in PSD volume this change is designed to remove uncertainty around submission requirements for both firms and us to reduce the resources required to follow up on whether the non-submission of a data report was intentional.

Who do the PSD reporting requirements apply to?

4.4 The PSD reporting requirements currently apply to firms which are:

- home finance providers
- in respect of sales to a retail client or a consumer:
  - an insurer
  - operators of regulated collective investment schemes, investment trust savings schemes or personal pension schemes
  - a person who issues or manages the relevant assets of the issuer of a structured capital-at-risk product

unless the firm is a managing agent.

4.5 The PSD requirements will apply to firms subject to consumer credit regulation from October 2014.

Benefits for firms and the FCA

4.6 We believe that this is a minor change for regulated firms that provides benefits for both firms and the FCA:

- Adopting this approach allows firms to indicate to us where they have no data to report and avoid having to respond to a later enquiry to this end.
- Effective use of our resources – FSMA directs us to use our resources in the most cost-effective way possible. Bringing in this requirement will remove the need for us to divert resources to the checking of whether firms correctly did not make a return and therefore reduce the cost of collecting this data.

Q9: Do you agree with our proposals to require a nil return from relevant firms who have no PSD data to report? If not, please explain why.

Annex 1
Cost benefit analysis

1. Section 138I of the Financial Services and Markets Act (FSMA) requires us to perform a cost benefit analysis (CBA) of our proposed requirements and to publish the results, unless we consider that the proposals will not give rise to any cost or to an increase in costs of minimal significance.

2. As set out in this annex, we consider any costs firms will incur as a result of our proposals to be minimal. So the exemption to undertake a cost benefit analysis applies. Despite this, we have still undertaken a short analysis of the costs and benefits of our proposals just to be clear.

Changes to adviser and consultancy charging reporting

Summary of proposals

3. As described in Chapter 2 of this consultation paper, we are consulting on making a number of changes to the adviser and consultancy charging data we collect from firms through the RMAR.

4. In summary, the changes we are consulting on in relation to the adviser charging data collected through Section K of the RMAR are to:

- incorporate the contents of an interim technical note, published in November 2012, into Handbook guidance
- clarify and improve the field labels used on the data collection form
- streamline the data collection form to make it easier for firms to complete
- require firms to provide the data annually rather than every six months
- allow firms to complete Section K on a cash or accrual basis.

5. In relation to the consultancy charging data collected through Section L of the RMAR, we are consulting to retire this section so that firms would not need to report consultancy charging data through the RMAR.

Costs

6. When developing proposals to collect adviser and consultancy charging data from firms, we undertook a cost benefit analysis, which was published in CP11/8 and PS11/13. This estimated that firms would incur costs of £2.6m per year to report this data to us.

7. The changes we are consulting on are designed to either help firms report adviser charging data to us or substantially reduce the data we require firms to report to us. As we are not seeking to change the data we collect or collect new data, the proposals should not result in any new one-off costs or annual reporting costs for firms.

8. We will incur some limited costs to change our data collection system, GABRIEL. These costs will generally fall within our business-as-usual system development costs.

Benefits

9. As the proposals included in Chapter 2 do not generate any new reporting costs for firms, we are not required by FSMA to analyse the benefits of these proposals. However, we have undertaken this analysis as we consider these proposals to be beneficial for firms.

10. All changes we are consulting on are designed to benefit firms that report adviser and consultancy charging data to us. The proposals designed to help firms report adviser charging data to us should reduce the time it takes firms to complete Section K of the RMAR. We expect the proposal to allow firms to complete Section K on a cash or accrual basis to ease the reporting obligation for a number of firms, particularly smaller investment advice firms.

11. Our proposal to require firms to complete Section K on an annual basis and retire Section L of the RMAR will benefit all 5,000 firms which report adviser or consultancy charging data. We previously estimated that it would cost the industry a total of £2.6m per year to report this data to us. By requiring firms to provide adviser charging data on an annual rather than six monthly basis, we expect the estimated reporting cost to be halved. By retiring Section L of the RMAR, this cost should reduce further.

> **Q10: Do you have any comments on our cost benefit analysis in respect of the changes to the adviser charging data collected through Section K of the RMAR?**

> **Q11: Do you have any comments on our cost benefit analysis in respect of the changes to the consultancy charging data collected through Section L of the RMAR?**

Changes to the APF questionnaire

Summary of proposals

12. The changes we are proposing to SUP 16 Annex 9R and the submission method of the annual questionnaire for Authorised Professional Firms (APF questionnaire) are in line with our commitments under our Data Strategy. We believe they will give rise to zero or minimal costs to firms. Indeed, the more streamlined format will allow firms to complete the submission more quickly and therefore result in a small incremental net benefit.

Changes to the submission method

13. We believe that the change in submission method (from manual submission by post or email) to electronic submission through our GABRIEL online system provides a net benefit to authorised professional firms.

14. The online system enables firms to be certain that their returns have been received by us, removing human error in processing and the chance of postal returns being lost. GABRIEL is also a secure system, meaning that data provided by this method is more secure than that received by post or email.

Changes to the APF questionnaire

15. We believe that the proposed changes to the form reduce the reporting obligation on authorised professional firms by significantly reducing the number of questions on the current questionnaire. The proposed revision of the APF questionnaire reduces the number of questions from around 75 to 17.

16. The new questions reflect the supervisory needs of the FCA as regards ongoing data from authorised professional firms and our commitment to the principles of our Data Strategy.

17. The new form is traceable to a defined FCA business need and provides data that is integrated and actionable. This reduction in the number of fields has ongoing benefits for APFs who are subject to this reporting requirement in terms of reducing the amount of time needed to complete and submit the return.

Q12: Do you have any comments on our cost benefit analysis in respect of the changes to the APF questionnaire?

Change to PSD reporting

Summary of proposals

18. The change we are proposing to SUP 16.11.3R(3) amends the provision to require that relevant firms who have not made any relevant sales during the period report a nil return to the FCA. This contrasts with the existing policy that states that firms need not submit a report in such circumstances.

Costs

19. We believe that the change in requirement will impose a very minor annual cost on firms who have no transactions to report. This cost takes the form of logging into GABRIEL, ticking a box and clicking 'submit'. Firms are currently contacted where no PSD has been submitted for a reporting period and asked to submit a nil return. The proposed change will remove the need for this correspondence.

Benefits

20. This minor change will help us use our resources in the most efficient way by reducing the resources dedicated to following up where a PSD report is not submitted.

21. With the large increase in PSD volume accompanying consumer credit regulation and the MMR, this change will make a significant difference to the amount of FCA resources that would be needed to follow up in those instances where a report is not submitted.

22. Another benefit of this minor change is that we can be certain whether a firm has data to report. The status quo means that we are not able to determine whether a firm has no data to report or has failed to meet the reporting obligation. We believe that this proposal has benefits for both firms and us because we can be sure of whether a firm has data to submit and firms can be confident that we are aware that the reporting requirement has been met.

Q13: Do you have any comments on our cost benefit analysis in respect of the changes to PSD reporting?

Annex 2
Compatibility statement

Compatibility with our general duties

1. This annex sets out our view on how the consultation proposals and draft rules in this consultation paper are compatible with our general duties under section 1B of the Financial Services and Markets Act 2000 (FSMA) and our regulatory objectives set out in this section, and sections 1C, 1D and 1E of FSMA.[5]

2. We have had regard to the regulatory principles set out in Section 3B of FSMA and consider these proposals to be the most appropriate way of meeting our statutory objectives. This meets the requirements on consultation that are set out in section 138I(2)(d) of FSMA.

Compatibility with our statutory objectives

3. In carrying out our general functions, our duty is, as far as is reasonably possible, to act in a way that is compatible with our strategic objective, to ensure that the relevant markets function well, and to advance one or more of our operational objectives.

4. The proposals set out in this consultation paper will help advance our strategic objective and also relate to two of our three operational objectives, those of consumer protection and effective competition.

5. In relation to our consumer protection operational objective, the data we receive from firms helps us to proactively identify issues within individual firms and in the market as a whole which may lead to consumer detriment. The changes we are proposing to the data items in this consultation should not affect our ability to identify and address potential issues in a timely and proportionate manner.

6. The proposals relating to the adviser and consultancy charging data collected through the RMAR should generate a small cost saving for firms. While this is unlikely to have a material impact on competition, any impact would have the marginal effect of reducing barriers to entry into the investment advice market by reducing the costs incurred by firms to report adviser and consultancy charging data.

7. The proposals relating to the annual questionnaire for APFs should also generate a small cost saving for authorised professional firms by a 75% reduction in the data required. The effect on competition is expected to be minor and any impact would have the marginal effect of reducing barriers to entry by reducing the regulatory reporting expected of such firms.

5 References to FSMA refer to FSMA 2000 as amended by the Financial Services Act 2012.

8. The proposed change to PSD reporting should incur only a very minor cost to firms. It will help us use our resources in the most effective and efficient way by reducing the resources dedicated to checking whether firms that did not submit PSD reports did so because they did not make any product sales in the reporting period.

Compatibility with the regulatory principles

9. Section 1B(5) of FSMA requires that, in carrying out our general functions, we have regard to the principles of good regulation. In formulating these proposals we have had regard to the following relevant principles set out in Section 3B of FSMA.

The need to use the resources of each regulator in the most efficient and economical way

10. Data plays an important role in how we supervise firms, as an efficient and cost-effective way of monitoring a firm's activities. This is particularly true of small to medium-sized firms that are not subject to a close and continuous supervisory relationship. Collecting data is also an efficient way of monitoring trends in the market.

11. The changes we are proposing through this consultation will reduce the manual nature of the data we collect. For example, in relation to the adviser charging data collected through the RMAR, the proposals set out in this consultation should reduce the volume of technical queries from investment advice firms providing this data. The proposals related to the annual questionnaire for APFs will also reduce the manual processing associated with the information currently collected.

12. In line with our Data Strategy, we are increasing the integration and accessibility of the data we collect. In the case of the APF questionnaire, the usability of the data and availability for analysis will be significantly enhanced, allowing more effective and efficient supervision of the affected APFs.

The principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction

13. As set out in our cost benefit analysis, we consider any costs that firms will incur as a result of our proposals to be minimal. We also consider that the proposals are likely to be beneficial to firms in terms of reducing the reporting obligation associated with providing adviser charging and consultancy charging data and APFs completing the annual questionnaire.

14. In particular, the proposals relating to the collection of adviser and consultancy charging data through the RMAR are designed to either help firms report adviser charging data to us or reduce the reporting obligation placed on firms. We consider that these proposals should reduce reporting costs incurred by firms.

15. The proposals around reduction in reporting and change in submission method relating to the annual questionnaire for APFs are designed to make the reporting regime more proportionate to the risk that these firms pose to our objectives.

16. The change proposed around reporting of nil returns for PSD is considered proportionate to the benefit achieved, taking into account our resources involved and the perceived minor cost to the industry of this proposal.

The responsibilities of the senior management of persons subject to requirements imposed by or under this Act, including those affecting consumers, in relation to compliance with those requirements

17. Our proposals do not interfere in any way with the responsibility of firms' senior management.

The desirability in appropriate cases of each regulator publishing information relating to persons on whom requirements are imposed by or under this Act, or requiring such persons to publish information, as a means of contributing to the advancement by each regulator of its objectives

18. As part of our Data Strategy, which includes data collected through the RMAR, PSD and from APFs, we are considering what information we should publish with a view to supporting our transparency initiatives.

The principle that the regulators should exercise their functions as transparently as possible

19. As set out above, we are considering what data we should publish as part of our Data Strategy.

Annex 3
List of questions

Q1: **Do you agree that we should incorporate the contents of the interim technical note to help firms complete Section K of the RMAR into our Handbook?**

Q2: **Do you agree with our proposal to improve the labelling of the fields used on the Section K data collection form? Do you have any comments on our proposed changes to these labels?**

Q3: **Do you agree with our proposal to streamline the Section K data collection form? Do you have any suggestions for how the form could be further streamlined to make it easier for firms to complete?**

Q4: **Do you agree that we should only collect adviser charging data through Section K of the RMAR on an annual basis?**

Q5: **Do you agree that firms should be able to report adviser charging data through Section K of the RMAR on either a cash received or accruals accounting basis? If not, please explain why.**

Q6: **Do you agree that we should stop collecting consultancy charging data through the RMAR?**

Q7: **Do you agree with our proposals to change the submission method by bringing the APF questionnaire into GABRIEL as FIN-APF?**

Q8: **Do you agree with our proposals to reduce and make minor adjustments to the data requested in the APF questionnaire?**

Q9: **Do you agree with our proposals to require a nil return from relevant firms who have no PSD data to report? If not, please explain why.**

Q10: **Do you have any comments on our cost benefit analysis in respect of the changes to the adviser charging data collected through Section K of the RMAR?**

Q11: Do you have any comments on our cost benefit analysis in respect of the changes to the consultancy charging data collected through Section L of the RMAR?

Q12: Do you have any comments on our cost benefit analysis in respect of the changes to the APF questionnaire?

Q13: Do you have any comments on our cost benefit analysis in respect of the changes to PSD reporting?

Appendix 1
Draft Handbook text

Appendix

SUPERVISION MANUAL (AMENDMENT NO 19) INSTRUMENT 2014

Powers exercised

A. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions in or under:

(1) the following sections of the Financial Services and Markets Act 2000 ("the Act"):

(a) section 139A (Power of the FCA to give guidance);
(b) section 395 (The Authority's procedures); and

(2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA's Handbook.

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on [*date*] except for Part 2 of the Annex which comes into force on [*date*].

Amendments to the FCA Handbook

D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

Citation

E. This instrument may be cited as Supervision Manual (Amendment No 19) Instrument 2014.

By order of the Board of the Financial Conduct Authority
[*date*]

Annex

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Part 1: Comes into force on [*date*]

16 Reporting requirements

…

16.11 Product Sales Data Reporting

…

Reporting requirement

16.11.3 R …

(3) ~~A *firm* need not submit a data report if no relevant sales have occurred in the quarter.~~ [deleted]

(3A) A *firm* must submit a nil return if no relevant sales have occurred in the quarter.

…

…

16.12 Integrated Regulatory Reporting

…

Regulated Activity Group 7

…

16.12.22A R The applicable *data items* referred to in *SUP* 16.12.4R are set out according to type of *firm* in the table below:

Description of *Data item*	*Firms'* prudential category and applicable *data item* (note 1)				
	IFPRU	*BIPRU firm*	*Exempt CAD firms* subject to *IPRU(INV)* Chapter 13	*Firms* (other than *exempt CAD firms*) subject to *IPRU(INV)* Chapter 13	*Firms* that are also in one or more of *RAGs* 1 to 6 and not subject to *IPRU(INV)* Chapter 13
…					
~~*Consultancy*~~	~~Section L RMAR~~	~~Section~~	~~Section L~~	~~Section L~~	~~Section L RMAR~~

~~*charges*~~	~~(Note 27)~~	~~L RMAR (Note 27)~~	~~RMAR (Note 27)~~	~~RMAR (Note 27)~~	~~(Note 27)~~
…					
Note 27	~~This item applies only to firms that provide advice and related services to employers on *group personal pension schemes* and/or *group stakeholder pension schemes*.~~ [deleted]				
…					

…

16.12.23A R The applicable reporting frequencies for *data items* referred to in *SUP* 16.12.22AR are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

Data item	Frequency				
	Unconsolidated *BIPRU investment firm* and *IFPRU investment firm*	Solo consolidated *BIPRU investment firm* and *IFPRU investment firm*	*UK Consolidation Group* or *defined liquidity group*	Annual regulated business revenue up to and including £5 million	Annual regulated business revenue over £5 million
…					
Section K RMAR	~~Half yearly~~ Annually	~~Half yearly~~ Annually	~~Half yearly~~ Annually	~~Half yearly~~ Annually	~~Half yearly~~ Annually
~~Section L RMAR~~	~~Half yearly~~	~~Half yearly~~	~~Half yearly~~	~~Half yearly~~	~~Half yearly~~
…					

…

16.12.24A R The applicable due dates for submission referred to in *SUP* 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *SUP* 16.12.23AR, unless indicated otherwise.

Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual
…						
~~Section L RMAR~~	~~-~~	~~-~~	~~-~~	~~-~~	~~30 *business days*~~	
…						

…

Authorised professional firms

16.12.30 R …

(2A) Guidance on the completion of the annual questionnaire contained in *SUP* 16 Annex 9R is set out in *SUP* 16 Annex 9AG.

…

The annex in SUP 16 Annex 9R is deleted in its entirety and replaced with the form below. The text is not underlined.

16 Annex 9R Annual questionnaire for authorised professional firms

FIN-APF Authorised Professional Firms Questionnaire

Information about the firm's professional regulation

		A
1	Provide the name of the designated professional body the firm is subject to	

Supervision and monitoring data

2	How many appointed representatives did the firm have as at the end of the reporting period?	
3	What was the total income from the firm's regulated activities as at the end of the reporting period?	

		A	B	C	D	E	F	G
		Investment management	Corporate finance	Retail investment	Home finance mediation	Insurance mediation	Credit-related regulated	Other
4	Please indicate the percentage of the total income from the firm's regulated activities generated from the following activities:							

Client money and assets

5	Did the firm hold client money during the reporting period?	
6	Did the firm hold client assets during the reporting period?	

Material changes

7	Have you notified the FCA of all notifiable events that occurred during the reporting period?	

Professional indemnity insurance

8	Is the firm's professional indemnity insurance policy compliant with regulatory requirements?	

9 Please provide details of the firm's current policy/policies.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	PII basic information												PII detailed information		
					Required Indemnity Limits				Indemnity Limits						
PII policy	Annualised premium	Insurer (from list)	Start date	Renewal date	Single Indemnity limits: Sterling/ Euros or Unlimted	Single Limit of Indemnity	Aggregate Indemnity Limit in: Sterling/ Euros or Unlimted	Aggregate Limit of Indemnity	Single Indemnity limits: Sterling/ Euros or Unlimited	Single Limit of Indemnity	Aggregate Indemnity Limit in: Sterling/ Euros or Unlimited	Aggregate Limit of Indemnity	Business line	Policy excess	Policy exclusions
1															

Financial resources and reporting

		A
10	What was the firm's total income for all activities as at the end of the reporting period?	
11	Has the firm made a profit after tax as at the end of the reporting period?	
12	Is the firm in a position to meet its current and future liabilities as at the end of the reporting period?	
13	Did the firm act as an investment manager during the period?	

		A	B	C	D	E
		Managing investments - retail clients	Managing investments - professional clients	Managing investment s - non-UK clients	Trustee activities	ISA management
14	If conducting discretionary management, what services were provided by the firm during the reporting period?					

15	If other, please state:	
16	Please state the value of funds under discretionary management at the end of the reporting period	
17	Please state the firm's total funds under management as at the end of the reporting period.	

Insert the following new annex after SUP 16 Annex 9R. The text is not underlined.

16 Annex 9AG Guidance notes for completion of annual questionnaire for authorised professional firms in SUP 16 Annex 9R

This form should only be completed by *authorised professional firms* subject to the reporting requirement in *SUP* 16.12.30R of the *FCA Handbook*. Where the guidance refers to 'as at the end of the reporting period' this means as at the final date of the relevant reporting period.

Data elements

These are referred to by row first, then by column, so data element 2A will be row 2 and column A.

Information about the firm's professional regulation

1A **Provide the name of the designated professional body the firm is subject to.**

This question should be answered by all *firms* completing the questionnaire.

Firms should select the *designated professional body* to which it is subject from those designated under section 326(1) of the *Act* and as set out in PROF 2 Annex 1 of the *FCA Handbook*.

If a *firm* is subject to more than one *designated professional body*, it should provide the name of the *designated professional body* under which it conducts the majority of its business.

Supervision and monitoring data

2A **How many appointed representatives did the *firm* have as at the end of the reporting period?**

This question should be answered by all *firms* completing the questionnaire.

If a *firm* does not have any *appointed representatives* as at the end of the relevant reporting period, the *firm* should enter '0' in field 2A.

3A **What was the total income from the *firm's* regulated activities as at the end of the reporting period?**

This question should be answered by all *firms* completing the questionnaire.

A *firm* should report only that income which derives from regulated activities **during** the reporting period **as at the end** of the reporting period, i.e. the total income from regulated activities for that reporting period as at the end of the reporting period.

This figure should be provided on an accruals basis in line with UK Generally Accepted Accounting Practice (UK GAAP) or International Accounting Standards (IAS).

4 **Please indicate the percentage of the total income from the firm's regulated activities as at the end of the reporting period generated from the following activities:**

When added together these fields should total 100%.

4A **Investment management**

Please estimate the percentage of the total income from the *firm*'s *regulated activities* derived from investment management business to the nearest 1%.

4B **Corporate finance**

Please estimate the percentage of the total income from the *firm*'s *regulated activities* derived from *corporate finance business* to the nearest 1%.

4C **Retail investment**

Please estimate the percentage of the total income from the *firm*'s *regulated activities* derived from *retail investment* business to the nearest 1%.

4D **Home finance mediation**

Please estimate the percentage of the total income from the *firm*'s *regulated activities* derived from *home finance mediation* business to the nearest 1%.

4E **Insurance mediation**

Please estimate the percentage of the total income from the *firm's regulated activities* derived from *insurance mediation* business to the nearest 1%.

4F **Credit-related regulated**

Please estimate the percentage of the total income from the *firm*'s *regulated activities* derived from *credit*-related business to the nearest 1%.

4G **Other**

Please estimate the percentage of the total income from the *firm's regulated activities* derived from business other than that included in the categories specified in fields 4A to 4F to the nearest 1%.

Client money and assets

5A **Did the firm hold client money during the reporting period?**

Please indicate whether the *firm* held *client money* during the specified reporting period. *Firms* should answer 'yes' if *client money* was held at any point during the reporting period, regardless of whether *client money* was held as at the end of the reporting period.

6A **Did the firm hold client assets during the reporting period?**

Please indicate whether the *firm* held *client assets* during the specified reporting period. *Firms* should answer 'yes' if *client assets* were held at any point during the reporting period, regardless of whether *client assets* were held as at the end of the reporting period.

Material changes

7A **Have you notified the FCA of all notifiable events that occurred during the reporting period?**

Please confirm whether the *firm* has notified the *FCA* of all notifiable events that occurred during the reporting period, in line with the relevant *notification rules.*

Professional indemnity insurance

8A **Is the firm's professional indemnity insurance compliant with regulatory requirements?**

Please confirm whether the *firm* holds professional indemnity insurance (PII) that complies with the requirements of the *FCA Handbook.*

9 **Please provide details of the firm's current policy/policies.**

For *firms* which are members of The Law Society of Scotland, the Council for Licensed Conveyancers or the Royal Institution of Chartered Surveyors please give details of the *firm's* PII under the *designated professional body's* Master Policy.

9A **Annualised premium**

Please provide the annualised premium paid by the *firm*, net of tax and any other add-ons, for each PII policy reported.

9B **Insurer (from list)**

For each policy, the *firm* should select the name of the *insurance undertaking* or Lloyd's syndicate providing cover. If the PII provider is not listed, the *firm* should select 'other'.

If a policy is underwritten by more than one *insurance undertaking* or Lloyd's syndicate, the *firm* should select 'multiple'.

9C **Start date**

The *firm* should enter the date the current cover began for each policy.

9D **Renewal date**

The *firm* should enter the date the current cover expires for each policy.

9E **Required indemnity limits: single indemnity limits (Sterling/Euros or Unlimited)**

For each policy, the *firm* should select whether the required single indemnity limit is being reported in GBP or EUR. If the required single limit is unlimited, the *firm* should submit 'unlimited' from the available list.

9F **Required indemnity limits: single limit of indemnity**

For each policy, the *firm* should enter the required single limit of indemnity for the business it conducts within the *FCA Handbook* in the currency specified in 9E. If the required limit is unlimited, this field should be left blank.

If this limit is lower than the limits prescribed by the *designated professional body* to which the *firm* is subject, the *firm* should report the higher limit.

9G **Required indemnity limits: aggregate indemnity limit (Sterling/Euros or Unlimited)**

For each policy, the *firm* should select whether the required aggregate indemnity limit is being reported in GBP or EUR. If the required aggregate limit is unlimited, the *firm* should submit 'unlimited' from the available list.

9H **Required indemnity limits: aggregate limit of indemnity**

For each policy, the *firm* should enter the required aggregate limit of indemnity for the business it conducts within the *FCA Handbook* in the currency specified in 9G. If the required limit is unlimited, this field should be left blank.

If this limit is lower than the limits prescribed by the *designated professional body* to which the *firm* is subject, the *firm* should report the higher limit.

9I **Indemnity limits: single indemnity limits (Sterling/Euros or Unlimited)**

The *firm* should select whether the single indemnity limit held is being reported in GBP or EUR for each policy. If the single limit held is unlimited, the *firm* should submit 'unlimited' from the available list.

9J **Indemnity limits: single limit of indemnity**

The *firm* should enter the single limit of indemnity held for each policy in the currency specified in 9I. If the single limit held is unlimited, this field should be left blank.

9K **Indemnity limits: aggregate indemnity limit (Sterling/Euros or Unlimited)**

The *firm* should select whether the aggregate indemnity limit held is being reported in GBP or EUR for each policy. If the aggregate limit held is unlimited, the *firm* should submit 'unlimited' from the available list.

9L **Indemnity limits: aggregate limit of indemnity**

The *firm* should enter the aggregate limit of indemnity held for each policy in the currency specified in 9I. If the aggregate limit held is unlimited, this field should be left blank.

9M **PII detailed information: business line**

The *firm* should select the business line to which each policy relates from the available list. If the policy relates to all business, the *firm* should select 'all'.

9N **PII detailed information: policy excess**

The *firm* should enter the value of any excess applicable to the relevant policy.

9O **PII detailed information: policy exclusions**

If there are any exclusions in the *firm's* PII policy which relate to types of business that the *firm* has carried out in the past or during the lifetime of the policy, these should be selected from the available list.

Financial resources and reporting

10A **What was the firm's total income for all activities as at the end of the reporting period?**

This question should be answered by all *firms* completing the questionnaire.

A *firm* should report all regulated and non-regulated income **during** the reporting period **as at the end** of the reporting period, i.e. total income.

This figure should be provided on an accruals basis, in line with UK Generally Accepted Accounting Practice (UK GAAP) or International Accounting Standards (IAS).

11A **Has the firm made a profit after tax as at the end of the reporting period?**

Please confirm whether the *firm* made a profit after tax as at the end of the reporting period. If audited accounts are not available or required at the time, a *firm* may provide the answer based on management accounts.

12A **Is the firm in a position to meet its current and future liabilities as at the end of the reporting period?**

Please confirm whether the *firm* is in a position to meet its current and future liabilities as at the end of the reporting period. The *firm* should retain supporting papers. The *FCA* may at any time require a *firm* to provide evidence to demonstrate that it can meet liabilities.

13A **Did the firm act as an investment manager during the period?**

Please confirm whether the *firm* acted as an *investment manager* during the reporting period.

14 **If conducting discretionary management, what services were provided by the firm during the reporting period?**

Firms should report all activities undertaken in a capacity of a *discretionary investment manager.*

14A **Managing investments – retail clients**

Please indicate whether the *firm* managed investments on behalf of *retail clients* during the reporting period.

14B **Managing investments – professional clients**

Please indicate whether the *firm* managed investments on behalf of *professional clients* during the reporting period.

14C **Managing investments – non-UK clients**

Please indicate whether the *firm* managed investments on behalf of non-UK clients during the reporting period.

14D **Trustee activities**

Please indicate whether the *firm* conducted *trustee* business during the reporting period.

14E **ISA management**

Please indicate whether the *firm* acted as an *ISA manager* during the reporting period.

15A **If other, please state:**

If the *firm* undertook other discretionary investment management activities, these should be entered here.

16A **Please state the value of funds under discretionary management at the end of the reporting period.**

The *firm* should report the value of the funds held under discretionary management in the capacity of *discretionary investment manager* as at the end of the reporting period.

17A **Please state the firm's total funds under management as at the end of the reporting period.**

The *firm* should report the value of the funds held under management as at the end of the reporting period. This should include those held under discretionary management and in other capacities.

…

16 Annex 18AR Retail Mediation Activities Return ('RMAR')

…

	~~**SECTION K: Adviser charges**~~	~~**A**~~	~~**B**~~	~~**C**~~	~~**D**~~	~~**E**~~	~~**F**~~	~~**G**~~
	~~***Retail investment product*** **revenue from** ***adviser charges***~~	~~*Independent advice*~~			~~*Restricted advice*~~			
		~~*Adviser charges* invoiced directly to *retail clients*~~	~~*Adviser charges* invoiced via *product providers*~~	~~*Adviser charges* invoiced via *platform service providers*~~	~~*Adviser charges* invoiced directly to *retail clients*~~	~~*Adviser charges* invoiced via *product providers*~~	~~*Adviser charges* invoiced via *platform service providers*~~	~~Total~~
~~**1**~~	~~Revenue from initial *adviser charges*~~							
~~**2**~~	~~Revenue from ongoing *adviser charges*~~							
~~**3**~~	~~TOTAL~~							

	~~**Payments of initial** ***adviser charges***~~	~~*Independent advice*~~			~~*Restricted advice*~~			
		~~*Adviser charges* invoiced directly to *retail clients*~~	~~*Adviser charges* invoiced via *product providers*~~	~~*Adviser charges* invoiced via *platform service providers*~~	~~*Adviser charges* invoiced directly to *retail clients*~~	~~*Adviser charges* invoiced via *product providers*~~	~~*Adviser charges* invoiced via *platform service providers*~~	~~Total~~
4	~~Aggregate of initial *adviser charges* invoiced as lump-sum payments~~							

~~5~~	~~Aggregate of initial *adviser charges* invoiced as regular payments~~							
~~6~~	~~Aggregate of initial *adviser* charges (invoiced as either a lump sum or regular payments)~~							

~~**Number of one-off advice services**~~

		~~*Independent advice*~~	~~*Restricted advice*~~	~~Total~~
~~7~~	~~Number of one-off advice services~~			

~~***Retail clients* paying for ongoing advice services**~~

~~8~~	~~*Retail clients* paying for ongoing advice services at the end of the reporting period~~	
~~9~~	~~*Retail clients* who started paying for ongoing advice services during the reporting period~~	
~~10~~	~~*Retail clients* who stopped paying for ongoing advice services during the reporting period~~	

~~**What types of adviser charging structures are offered?**~~

		~~*Independent Advice*~~		~~*Restricted Advice*~~		~~Typical charging structure (tick all that apply)~~
		~~Minimum~~	~~Maximum~~	~~Minimum~~	~~Maximum~~	
~~11~~	~~Initial *adviser charge* per hour (£)~~					~~Yes / No~~
~~12~~	~~Initial *adviser charge* as percentage of investment (%)~~					~~Yes / No~~
~~13~~	~~Initial adviser charge as a fixed fee (£)~~					~~Yes / No~~
~~14~~	~~Initial adviser charge as a combined charging structure (£)~~					~~Yes / No~~
~~15~~	~~Ongoing *adviser charges* per hour (£)~~					~~Yes / No~~
~~16~~	~~Ongoing *adviser charge* as percentage of investment (%)~~					~~Yes / No~~
~~17~~	~~Ongoing adviser charge as a fixed fee (£)~~					~~Yes / No~~
~~18~~	~~Ongoing adviser charge as a combined charging structure (£)~~					~~Yes / No~~

SECTION K: Adviser charges

Types of advice provided

		A
1	Indicate the type(s) of advice provided by the firm	Independent / Restricted / Both

Section 1 - Independent advice

		A	B	C
		Adviser charges paid direct by *retail clients*	*Adviser charges* facilitated by product providers	*Adviser charges* facilitated by *platform service providers* or *discretionary investment managers*
Retail investment products revenue from *adviser charges* (monetary amount)				
2	Revenue from all initial *adviser charges* including initial, one-off and ad hoc *adviser charges*			
3	Revenue from ongoing *adviser charges*			
Payments of initial *adviser charges* (number)				
4	Aggregate number of initial *adviser charges* payable as lump-sum payments due from *retail clients* within the reporting period			
5	Aggregate sum of the proportion of initial *adviser charges*, payable through regular instalments, due from *retail clients* within the reporting period			

Number of one-off advice services (number)		A
6	Total number of initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	

Section 2 - Restricted advice

		A	B	C
		Adviser charges paid direct by *retail clients*	*Adviser charges* facilitated by product providers	*Adviser charges* facilitated by *platform service providers* or *discretionary investment managers*
Retail investment products revenue from *adviser charges* (monetary amount)				
7	Revenue from all initial *adviser charges* including initial, one-off and ad hoc *adviser charges*			
8	Revenue from ongoing *adviser charges*			
Payments of initial *adviser charges* (number)				
9	Aggregate number of initial *adviser charges* payable as lump-sum payments due from *retail clients* within the reporting period			
10	Aggregate sum of the proportion of initial *adviser charges*, payable through regular instalments, due from *retail clients* within the reporting period			

Number of one-off advice services (number) — A

11	Total number of initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	

Section 3 - Number of ongoing services provided including both independent and restricted

	Retail clients paying for ongoing advice services (number)	A
12	Number of *retail clients* paying for ongoing advice services at the end of the reporting period	
13	Number of *retail clients* who started paying for ongoing advice services during the reporting period	
14	Number of *retail clients* who stopped paying for ongoing advice services during the reporting period	

Section 4 - Typical charging for both independent and restricted advice

	What types of adviser charging structures are offered?	A	B	C	D	E
		Independent advice		Restricted advice		Typical charging structure
		Minimum	Maximum	Minimum	Maximum	
15	Initial *adviser charge* per hour (monetary amount)					Yes / No
16	Initial *adviser charge* as percentage of investment (%)					Yes / No
17	Initial *adviser charge* as a fixed fee (monetary amount)					Yes / No
18	Initial *adviser charge* as a combined charging structure (monetary amount)					Yes / No
19	Ongoing *adviser charge* per hour (monetary amount)					Yes / No
20	Ongoing *adviser charge* as percentage of investment (%)					Yes / No
21	Ongoing *adviser charge* as a fixed fee (monetary amount)					Yes / No
22	Ongoing *adviser charge* as a combined charging structure (monetary amount)					Yes / No

Has this section been completed on an accruals or cash accounting basis?

		A	B	C	D	E
	~~SECTION L: Consultancy charges~~					

~~Retail investment revenue from *group personal pension schemes* or *group stakeholder pension schemes* *fees* and *consultancy charges*~~

		A	B	C	D
		~~*Fees* invoiced directly to employer *clients*~~	~~*Consultancy charges* invoiced via *product providers*~~	~~*Consultancy charges* invoiced via *platform service providers*~~	~~Total~~
~~1~~	~~Revenue from initial services~~				
~~2~~	~~Revenue from ongoing services~~				
~~3~~	~~Revenue from one-off services~~				
~~4~~	~~TOTAL~~				

~~Number of employers that received one-off services~~

		A
~~5~~	~~Number of employers that received one-off service in reporting period~~	

~~Employer clients receiving ongoing *group personal pension schemes* or *group stakeholder pension schemes* services~~

		A
~~6~~	~~Number of employer clients receiving ongoing *group personal pension scheme* services at the end of the reporting period~~	
~~7~~	~~Number of employer clients who started receiving ongoing *group personal pension scheme* services during the reporting period~~	
~~8~~	~~Number of employer clients who stopped receiving ongoing *group personal pension scheme* services during the reporting period~~	

~~Range of *consultancy charges*~~

		~~Highest~~	~~Lowest~~	~~Typical~~
~~9~~	~~First year's projected *consultancy charges* (as % of first year's total employer and employee contributions) applying to *group personal pension schemes* or *group stakeholder pension schemes* set up in reporting period~~			

~~Types of *consultancy charges* in typical scheme (tick all that apply)~~

		~~% of employer contributions~~	~~% of member contributions~~	~~% of fund (annual management charge)~~	~~Flat amount per member~~	~~Other~~
~~10~~	~~Active members~~					
~~11~~	~~Deferred members~~					

16 Annex 18BG Notes for Completion of the Retail Mediation Activities Return ('RMAR')

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Contents

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~~Section L: Consultancy charges~~

…

EEA Firms

…

10. In broad terms, *incoming EEA firms* carrying on *regulated activities* through a branch in the *United Kingdom* are not required to complete the sections of the RMAR in the following table.

…	
~~*Consultancy charges*~~	~~Section L~~

11. *Firms* that only carry on *reinsurance mediation* are not required to complete sections C or K ~~or L~~.

…

Authorised professional firms

…

14. Where ~~APFs~~ *authorised professional firms* are required to submit financial information (i.e. sections A to E), they should do so in relation to all of their *regulated activities*. Sections F and K ~~and L~~ should also be completed in relation to all *regulated activities*. Other sections (G to I) need not include information in relation to *non-mainstream regulated activities*. However, ~~APFs~~ *authorised professional firms* may complete all sections on the basis of all of their *regulated activities* if this approach is more cost effective.

Accounting principles

15. ~~The~~ Subject to paragraph 15A below, in respect of section K only, the following principles should be adhered to by *firms* in the submission of financial information (sections A to E and section K ~~and L~~).

…

15A. For the completion of section K, all figures should be provided on an accruals basis in line with UK Generally Accepted Accounting Practice (UK GAAP) or International Accounting Standards (IAS), unless a *firm* elects to complete section K on a cash basis. A *firm* may elect to complete section K, and only section K, on a cash basis by selecting this as the accounting basis for section K on GABRIEL.

…

Section K: Adviser charges

~~In this section we are seeking data from *firms* in relation to *adviser charges* (*COBS* 6.1A and *COBS* 6.1B). We will use the data we collect to monitor and analyse the way *retail investment firms* implement the rules on *adviser charges*.~~

~~Data in this section should be reported on a cumulative basis throughout the *firm's* financial year, with the exception of the minimum and maximum *adviser charges*, which are the costs of advice services that a *firm* discloses to a *retail client* in writing, in good time before making the *personal recommendation* (or providing any related service) (*COBS* 6.1A.17R). The *firm's* charging structure can be based on published tariffs or price lists and only needs to be updated as and when the tariffs or prices lists are updated.~~

~~All the data in this section should only be in relation to the provision of a *personal recommendation* by the *firm* in respect of a *retail investment product* (or any related service provided by the *firm*). Firms that have *appointed representatives* should include their *appointed representatives* as well as the *firm* itself in the information submitted in this section.~~

~~If a *firm* makes a management charge which covers *adviser charges* and charges for services that do not relate to a *personal recommendation* on *retail investment products*, then *firms* should report the full amount of the management charge received. *Firms* should not differentiate between the amounts relevant to the different services. For example, if a *firm* makes a management charge for a non-discretionary management service that predominantly relates to *advice* on stocks and shares, but provides *personal recommendations* on *retail investment products* as part of this service, then it should report the whole of this charge in section K.~~

~~In most cases, *firms* are asked to split the data based on whether the advice was *independent* or *restricted*. *Independent advice* is a *personal recommendation* to a *retail client* in relation to a *retail investment product* which is based on a comprehensive and fair analysis of the relevant market, and is unbiased and unrestricted (*COBS* 6.2A.3R). *Restricted advice* is advice which is not *independent advice*. *Restricted advice* includes *basic advice*, but the *rules* on *adviser charges* do not apply to a *firm* when it gives *basic advice*, so revenue from *basic advice* should not be captured here.~~

~~For revenue from *adviser charges* and payments of initial *adviser charges*, *firms* are also asked to split the data based on the payment mechanism, i.e. whether the *adviser charges* have been received directly from *retail clients*, via *product providers*, or via *platform service providers*. *COBS* 6.1B.9R allows for *firms* to facilitate the payment of *adviser charges* from a *retail investment product* or otherwise by means of a *platform service*.~~

~~Data elements are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.~~

~~**Section K: guide for completion of individual fields**~~

~~**Adviser charge revenue**~~	
~~Initial *adviser charges* (row 1)~~	~~These are all *adviser charges* invoiced to *retail clients* during the reporting period for services that are not ongoing.~~

	~~These charges may be paid as a one-off lump sum, or as regular contributions over a period of time if the *adviser charge* relates to a *retail investment product* for which an instruction from the *retail client* for regular payments is in place and the *firm* has disclosed that no ongoing *personal recommendations* or service will be provided (*COBS* 6.1A.22R (2)).~~
~~Ongoing *adviser charges* (row 2)~~	~~These are all *adviser charges*, which are not initial charges, invoiced to *retail clients* during the reporting period for an ongoing service (*COBS* 6.1A.22R (1)).~~
~~*Adviser charges* invoiced directly to *retail clients* (column A, data elements 1A to 6A)~~	~~These are all *adviser charges* invoiced directly to *retail clients*.~~
~~*Adviser charges* invoiced via *product providers* (column A, data elements 1B to 6B)~~	~~These are all *adviser charges* invoiced via *retail investment product providers* who facilitate, directly or through a third party, the payment of *adviser charges* from a *retail client*'s *retail investment product*.~~
~~*Adviser charges* invoiced via *platform service providers* (column C, data elements 1C to 6C)~~	~~These are all *adviser charges* invoiced via *platform service providers* who facilitate, directly or through a third party, the payment of *adviser charges* by means of a *platform service*.~~
~~TOTAL (row 3)~~	~~Row 3 equals row 1 plus row 2~~
~~**Payments of initial adviser charges**~~ ~~(See above three rows for an explanation of the different payment mechanisms.)~~	
~~Aggregate of initial adviser charges invoiced as lump sum payments (row 4)~~	~~This is the number of initial *adviser charge* payments invoiced as a lump sum during the reporting period, i.e. the *client* pays the entire initial *adviser charge* in one payment.~~ ~~If an initial charge is not paid in full, we expect it to be recorded under row 5 of Section K as 'Regular instalments as proportion of the total due.~~
~~Aggregate of initial adviser charges invoiced as regular payments (row 5)~~	~~An initial *adviser charge* may be structured to be payable over a period of time when it relates to a *retail investment product* for which an instruction from the *retail client* for regular payments is in place and the *firm* has disclosed that no ongoing *personal recommendations* or service will be provided (*COBS* 6.1A.22R(2)). Each instalment should be captured by the *firm* as a fraction, to two decimal places, representing the amount paid off as a proportion of the amount owed. The sum of these fractions should be reported in the appropriate data field in row 5 to two decimal places.~~ ~~This could be calculated either using (1) the length of the repayment period, if these instalments are of equal value, or (2)~~

	~~the amount paid. These two methods are outlined below (both methods should arrive at the same answer).~~ ~~(1) For each *retail client* calculate the number of *months* in the reporting period in which equal instalments are made divided by the total number of *months* in which payments are due to be made. Sum up fractions based on payment mechanism and type of advice and report in the appropriate field.~~ ~~(2) For each instalment calculate the amount paid divided by the total amount due. Sum up fractions based on payment mechanism and type of advice and report in the appropriate field.~~
~~Aggregate of initial adviser charges (invoiced as either a lump sum or regular payment) (row 6)~~	~~Row 6 equals row 4 plus row 5.~~
~~Number of one-off advice services (row 7)~~	~~This should be the number of one-off advice services provided during the reporting period, to which there is a corresponding initial *adviser charge*.~~
~~Retail clients paying for ongoing advice services~~	
~~*Retail clients* paying for ongoing advice services (row 8)~~	~~This should be the number of *retail clients* paying for ongoing advice services (i.e. paying ongoing *adviser charges*) at the end of the reporting period.~~
~~*Retail clients* who start paying for ongoing advice services (row 9)~~	~~This should be the number of *retail clients* who began paying for an ongoing advice service (i.e. paying ongoing *adviser charges*) during the reporting period.~~
~~*Retail clients* who stop paying for ongoing advice services (row 10)~~	~~This should be the number of *retail clients* who stopped paying for ongoing advice service (i.e. paying ongoing *adviser charges*) during the reporting period.~~
~~Charging structure~~	
~~What types of adviser charging structures are offered?~~	~~Only those fields relevant to the *firm's* charging structure should be completed.~~
~~Combined charging structure (£)~~	~~When a *firm* operates charging structures which are a combination of per hour, percentage of investment and/or fixed fee, *firms* should record the actual minimum and maximum charges charged in the reporting period and not the published tariff or price list for that combined charging structure. For example, where the *firm's* charging structure is a combination of a fixed fee element and a percentage basis the *firm* will need to work out what the actual maximum and minimum *adviser charges* charged in the reporting period were in order to report values in UK Sterling (£).~~

~~Minimum and maximum *adviser charges*~~	~~Where a *firm* has no range in their charging structure, the minimum and maximum *adviser charges* should be recorded as the same.~~
~~Typical charging structure (tick all that apply)~~	~~If a *firm* has more than one charging structure, it should report all charging structures and indicate what the typical charging structure is for initial and ongoing services. If the adviser charging structures typically offered are split evenly between the different charging types (per hour, percentage of investment, fixed fee or combined) for initial and/or ongoing advice services, tick the charging structures that are relevant.~~

In this section we are seeking data from *firms* about *adviser charges* (*COBS* 6.1A and *COBS* 6.1B). We will use the data we collect to monitor and analyse the way *retail investment firms* comply with the rules on *adviser charges*.

General guide to completing section K

For the purposes of this guidance on section K, it has been assumed that section K will be completed on the default accruals basis set out in paragraph 15 in the accounting principles section of this Annex. Where a *firm* elects to report on a cash basis for the purposes of section K, in accordance with paragraph 15A in the accounting principles section of this Annex, references to the amount due within the reporting period should be read to mean the amount received within the reporting period.

All the data in this section should only concern the provision of a *personal recommendation* by the *firm* for a *retail investment product* (or any related service provided by the *firm*).

Firms that have *appointed representatives* should include their *appointed representatives* as well as the *firm* itself in the information submitted in this section.

In most cases, *firms* are asked to split the data based on whether the advice was *independent* or *restricted*. *Independent advice* is a *personal recommendation* to a *retail client* about a *retail investment product* which is based on a comprehensive and fair analysis of the relevant market, and is unbiased and unrestricted (*COBS* 6.2A.3R). *Restricted advice* is advice which is not *independent advice*.

Restricted advice includes *basic advice*, but the *rules* on *adviser charges* do not apply to a *firm* when it gives *basic advice*, so revenue from *basic advice* should not be captured here.

If an advisory *firm* exclusively provides independent or restricted advice, the parts of the form not relevant to the *firm* should be left blank. This is illustrated in example 1.

Example 1 – Completing the form where the firm only provides either independent or restricted advice

An advisory *firm* that exclusively provides *independent advice* would need to complete parts 1, 3 and 4 (columns A, B and E), leaving part 2 and columns C and D of part 4 blank.

An adviser *firm* that exclusively provides *restricted advice* would need to complete parts 2, 3 and

4 (columns C, D and E), leaving part 1 and columns A and B of part 4 blank. An advisory *firm* providing both *independent* and *restricted advice* would need to complete parts 1 to 4 as appropriate.

Any revenue reported should be exclusive of VAT levied on the *retail client* (if applicable).

The way consumers pay an adviser charge *(columns A to C for rows 2 to 5 and 7 to 10)*

Firms are required to provide a breakdown of the data provided in rows 2 to 5 and 7 to 10 based on the way in which a *retail client* pays their *adviser charge*.

Column A should include data on the *adviser charges* that are paid directly by the client. This would include, for example, where the client paid the advisory firm directly through a cheque or bank transfer or where a payment was made on behalf of the client by the client's lawyer.

Where the *adviser charge* is facilitated by a *retail investment product* provider, this should be reported in either columns B or C, depending on whether the charge is facilitated by a product provider, *platform service provider* or *discretionary investment manager*.

For an *adviser charge* where payment is facilitated through a *self-invested personal pension* (*SIPP*),. The *adviser charge* should be reported in column B where it is facilitated by the *SIPP* operator or in column C where the *SIPP* is held on a platform and the advice charge is facilitated by the platform.

Guide for completion of individual fields

In row 1, *firms* should select one of 'Independent/Restricted/Both' to indicate the type(s) of advice provided by the *firm*. *Firms* providing *independent advice* only should then complete Parts 1, 3 and 4 of Section K. *Firms* providing restricted advice only should then complete Parts 2, 3 and 4. *Firms* providing both independent and restricted advice should complete all four parts of Section K.

Retail investment product revenue from adviser charges (rows 2, 3, 7 and 8)

Revenue from all initial *adviser charges* including initial, one-off and ad hoc *adviser charges* (rows 2 and 7)	*Firms* should report the total revenue from distinct one-off advice services, being those services that are not covered by an ongoing *adviser charge*, as at the end of the reporting period. This would include, for example, revenue from initial, upfront and ad hoc *adviser charges*, irrespective of whether the charge is paid as a single payment or through regular instalments. Where an initial *adviser charge* is paid through regular instalments, which is only permitted in limited cases (as set out in *COBS* 6.1A.22R(2)), only the amounts due within in the reporting period should be reported. This is illustrated in example 2. **Example 2 - Reporting revenue from initial *adviser charges* payable in instalments**

	An *independent advice firm* provides advice to a retail client about an investment where regular contributions are being made and there is a £600 initial *adviser charge* payable in two equal amounts – now and in 12 months' time. *Firms* should report £300 in row 2, as this is the amount due from that client within the reporting period. The remaining £300 of the total *adviser charge* payable would be reported for a future reporting period when it is due from the client.
Revenue from ongoing *adviser charges* (rows 3 and 8)	*Firms* should report the total revenue due within the reporting period for *adviser charges* for ongoing services which are not initial charges (*COBS* 6.1A.22R (1)).

Where an advisory *firm* has an agreement to provide both initial and ongoing advice, the revenue for the initial and ongoing advice service should be reported separately in rows 2 and 3 respectively for *independent advice* and 7 and 8 for restricted advice.

Where an advisory *firm* charges a *retail client* a fee for advice on a retail investment product and a pure protection policy or mortgage, *firms* should only report the *adviser charge* that relates to the retail investment advice in Section K of the RMAR. This is illustrated in example 3.

Example 3 – Advice in relation to a retail investment product and non-investment product

An *independent advice firm* charges a *retail client* £1,000 for initial advice in relation to both an investment product and pure protection contract. To complete Section K of the RMAR, *firms* should only report the *adviser charge* for the investment advice. In this case, the *firm's* charging structure quotes the cost of this investment advice as £600 therefore, £600 should be reported in row 2.

If a *firm* makes a management charge which covers *adviser charges* and charges for services that do not relate to a *personal recommendation* on *retail investment products*, then *firms* should report the full amount of the management charge received. *Firms* should not differentiate between the amounts relevant to the different services. For example, if a *firm* makes a management charge for a non-discretionary management service that predominantly relates to *advice* on stocks and shares, but provides *personal recommendations* on *retail investment products* as part of this service, then it should report the whole of this charge in Section K.

If the *adviser charge* is partially paid directly by the *retail client* and partially facilitated by an investment product provider, the proportion of the *adviser charge* paid through each method should be reported separately on the form in the relevant columns. This is illustrated in example 4.

Example 4 – Reporting *adviser charges* that are paid by retail clients from more than one source

A *retail client* agrees to pay £1,000 for initial advice provided by an independent financial adviser for a single contribution investment. The client pays £600 directly from their bank account, with £400 facilitated by a platform. The form would be completed as follows:

Types of advice provided		**A**
1	Indicate the type(s) of advice provided by the *firm*	Independent

Section 1 - Independent advice

		A	B	C
		Adviser charges paid direct by *retail clients*	*Adviser charges* facilitated by product providers	*Adviser charges* facilitated by *platform service providers* or *discretionary investment managers*
Retail investment products revenue from *adviser charges* (monetary amount)				
2	Revenue from all initial *adviser charges* including initial, one-off and ad hoc *adviser charges*	£600		£400
3	Revenue from ongoing *adviser charges*			
Payments of initial *adviser charges* (number)				
4	Aggregate number of initial *adviser charges* payable as lump-sum payments due from *retail clients* within the reporting period	0.60		0.40
5	Aggregate sum of the proportion of initial adviser, payable through regular instalments, due from *retail clients* within the reporting period			

Please note: for the purpose of this example, rows 4 to 5 are also completed.

If an advisory *firm* offsets the *adviser charge* due from the *retail client* with trail commission received from an investment product provider for pre-Retail Distribution Review (RDR) investments held by that client, *firms* should report the total *adviser charge* that is agreed with the *retail client*. This is illustrated in example 5. The conditions under which an advisory firm may receive such commission are set out in *COBS* 6.1A.4AR.

Example 5 – Commission offset against an *adviser charge*

An independent advice *firm* enters into an agreement to provide a *retail client* with ongoing advice. The *firm* charges the client £500 for this ongoing advice, but receives £200 in trail commission for existing investments held by the client. This trail commission is used to reduce the actual amount due from the client to £300. *Firms* should report the full £500 *adviser charge* in row 3, as this is the total *adviser charge* agreed with the client.

Payments of initial adviser charges (rows 4, 5, 9 and 10)

The data reported in this section of the form relates to the number of initial advice services provided within the reporting period, as at the end of the reporting period. This would include the number of services for which there are initial, upfront and ad hoc *adviser charges*. The data provided should be reported to two decimal places.

Aggregate number of initial *adviser charges* payable as lump sum payments	*Firms* should report the total number of initial adviser services provided where the *adviser charge* is payable as a single payment and due from *retail clients* in the reporting period, i.e. the *client* pays the entire initial *adviser charge* in one payment. Data reported in this section should be broken down by the way the *adviser charge* is paid. Where an individual *retail client* pays the initial *adviser charge* through more than one source, the proportion of the total payment made by that individual *retail client* should be identified and reported as a fraction to two decimal places in the applicable columns, as in Example

due from *retail clients* within the reporting period (rows 4 and 9)	4 above. If an initial charge is not paid in full, it should be recorded under row 5 where independent advice is provided or row 10 where restricted advice is given.
Aggregate sum of the proportion of initial *adviser charges*, payable through regular instalments, due from *retail clients* within the reporting period (rows 5 and 10)	An initial *adviser charge* may be structured to be payable over a period of time when it relates to a *retail investment product* for which an instruction from the *retail client* for regular payments is in place and the *firm* has disclosed that no ongoing *personal recommendations* or service will be provided (*COBS* 6.1A.22R(2)). *Firms* should calculate the proportion of initial *adviser charges*, payable through regular instalments that were due from each *retail client* within the reporting period. Each instalment due within the reporting period should be captured by the *firm* as a fraction, to two decimal places, representing the amount paid off as a proportion of the amount owed. The sum of these fractions should be reported in the appropriate data field (row 5 for independent advice and row 10 for restricted advice) to two decimal places. Data reported in this section should be broken down by the way the *adviser charge* is paid. Where the *retail client* pays an initial *adviser charge* through more than one source, the proportion of the charge paid through each source should be identified and reported in the applicable column. Data for rows 5 and 10 can be calculated either using (1) the length of the repayment period, if these instalments are of equal value or (2) the amount paid. These two methods are outlined below (both methods should arrive at the same answer). (1) For each *retail client* calculate the number of *months* in the reporting period in which equal instalments are made divided by the total number of *months* in which payments are due to be made. Sum up fractions based on payment mechanism and type of advice and report in the appropriate field. (2) For each instalment calculate the amount paid divided by the total amount due. Sum up fractions based on payment mechanism and type of advice and report in the appropriate field. This is illustrated in examples 6 and 7. **Example 6 – Reporting the number of initial *adviser charges* invoiced as regular payments** An independent advice *firm* provides advice to retail client A about an investment where regular contributions are being made and a £600 initial *adviser charge* is payable in two equal amounts – now and in 12 months' time. *Firms* should report 0.50 in row 5 for this client, as half the total initial *adviser charge* was payable within the reporting period. 0.50 would also be reported in a future reporting period, when the remaining *adviser charge* is due from client A. The same advisory *firm* provides advice to another *retail client* B about an investment where regular contributions are being made. A £900 initial *adviser charge*, payable in three equal instalments over the next three reporting periods, is agreed. 0.33 would be

reported in row 5 for client B as one-third of the total initial *adviser charge* is payable as at the end of the reporting period.

Reflecting the agreements with client A and B, the form would be completed as follows:

Section 1 - Independent advice

		A	B	C
		Adviser charges paid direct by *retail clients*	*Adviser charges* facilitated by product providers	*Adviser charges* facilitated by *platform service providers or discretionary investment managers*
Retail investment products revenue from *adviser charges* (monetary amount)				
2	Revenue from all initial *adviser charges* including initial, one-off and ad hoc *adviser charges*	£600		
3	Revenue from ongoing *adviser charges*			
Payments of initial *adviser charges* (number)				
4	Aggregate number of initial *adviser charges* payable as lump-sum payments due from *retail clients* within the reporting period			
5	Aggregate sum of the proportion of initial adviser, payable through regular instalments, due from *retail clients* within the reporting period	0.83		

This example assumes client A and B both paid the *adviser charge* directly from their bank account
Field A2 includes the total due from clients A and B as at the end of the reporting period:
For client A, £300 is due in the reporting period (half the £600 total *adviser charge* due from client A).
For client B, £300 is due in the reporting period (one-third of the £900total *adviser charge* due from client B).
Field A5 includes 0.50 in respect of client A and 0.33 in respect of client B.

Example 7 – Further example of reporting the number of initial *adviser charges* invoiced as regular payments

An independent advice *firm* provides advice to five *retail clients* about investments where regular contributions are being made. In each case the initial *adviser charge* agreed is £100 and payable in instalments, although in each case the period over which these instalments are made differs. This is shown in the table below.

	Total initial *adviser charge* to be paid	Total initial *adviser charge* due in the reporting period	Proportion of initial *adviser charge* due in the reporting period
Client A	£100	£10	0.10
Client B	£100	£20	0.20
Client C	£100	£10	0.10
Client D	£100	£40	0.40
Client E	£100	£20	0.20
Total	£500	**£100**	**1.00**
		(reported in row 2 – or row 7 if restricted advice was provided)	(reported in row 5 – or row 10 if restricted advice was provided)

In this example, £100 would be reported in row 2, as this is the amount due from clients in the reporting period. In row 5, the f*irm* should report 1.00 as this is the sum

	of the proportion of initial *adviser charges*, payable through regular instalments, that are due from these clients in the reporting period.

Number of one-off advice services (rows 6 and 11)

Total number of initial advice services, including initial, one-off and ad hoc advice services, provided within the reporting period (rows 6 and 11)	*Firms* should report the total number of distinct, chargeable one-off advice services provided to clients during the reporting period. This includes any advice given that was not funded through an ongoing *adviser charge*, which could include, for example, initial, upfront and ad hoc advice services for which there is a corresponding initial *adviser charge*. Rows 6 and 11 measure the number of one-off advice services provided to *retail clients* in the reporting period. Where the same client received more than one such advice service, such as an upfront advice service and a separate ad hoc advice service that was funded through a separate *adviser charge*, this should be reported as two one-off advice services. Any advice agreements that were cancelled with no initial *adviser charge* being paid, or where any initial charge paid was returned to the *retail client*, should not be reported in Section K of the RMAR. However, any initial advice services where the client paid an *adviser charge* to the adviser, even if the client did not act on the recommendations of that adviser, should be reported.

To illustrate the difference between data reported by an independent adviser in row 6 and that previously provided in rows 4 and 5 (or where restricted advice has been provided the difference between the data reported in row 11 and that previously provided in 9 and 10) please see example 8.

Example 8 – Information reported in row 6 compared to that reported in rows 4 and 5 where the advice provided is independent or row 11 compared to rows 9 and 10 for restricted advice

An advisory *firm* provides an upfront advice service to five *retail clients* in the reporting period and an ad hoc advice service to a further two clients that was not covered by an ongoing advice charge.

Of the five clients that received an upfront advice service, one of these services related to advice on an investment where regular contributions were being made, with the *adviser charge* payable in equal instalments split across two reporting periods.

In all cases, the *retail client* paid the *adviser charge* directly from their bank account and independent advice was given by the advisory firm.

The table below and supplementary commentary illustrates how the form should be completed:

		A	B	C
		Adviser charges paid direct by *retail clients*	*Adviser charges* facilitated by product providers	*Adviser charges* facilitated by *platform service providers or discretionary investment managers*
Payments of initial *adviser charges* (number)				
4	Aggregate number of initial *adviser charges* payable as lump-sum payments due from *retail clients* within the reporting period	6.00	-	-
5	Aggregate sum of the proportion of initial adviser, payable through regular instalments, due from *retail clients* within the reporting period	0.50	-	-

		A
Number of one-off advice services (number)		
6	Total number of initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	7

Field A4 includes the 4 upfront advice services where the *adviser charge* is paid as a single payment and the 2 ad hoc services also paid as a single payment.

Field A5 includes the upfront advice service where the *adviser charge* is paid in instalments. The proportion of the *adviser charge* due as at the end of the reporting period is 0.5.

Field A6 includes the 5 upfront advice services and the 2 ad hoc services provided in the reporting period.

To extend this example into the next reporting period (*rp+1*):

- Assume the same advisory *firm* provided an upfront advice service to four *retail clients* in the reporting period *rp+1* but did not provide any ad hoc services to any other clients.
- The *adviser charge* for these four upfront advice services was payable as lump sums within the reporting period.
- The *retail client* that received an upfront advice service on an investment where regular contributions were being made in the previous reporting period (*rp*), and was paying their *adviser charge* in two equal instalments across two reporting periods, was due to pay the final instalment within the latest reporting period *rp+1*.

Again assuming all *retail clients* paid the *adviser charge* directly from their bank account and independent advice was given by the advisory *firm*, the form for reporting period *rp+1* would be completed as follows:

		A	B	C
		Adviser charges paid direct by *retail clients*	*Adviser charges* facilitated by product providers	*Adviser charges* facilitated by *platform service providers or discretionary*

				investment managers
Payments of initial *adviser charges* (number)				
4	Aggregate number of initial *adviser charges* payable as lump-sum payments due from *retail clients* within the reporting period	4.00	-	-
5	Aggregate sum of the proportion of initial adviser, payable through regular instalments, due from *retail clients* within the reporting period	0.50	-	-
Number of one-off advice services (number)		**A**		
6	Total number of initial advice services including distinct initial, one-off and ad hoc advice services, provided within the reporting period	4	-	-

Field A4 includes the 4 upfront advice services provided during the reporting period *rp+1* where the *adviser charge* is paid as a single payment.

Field A5 includes the upfront advice service provided in the previous reporting period (*rp*) where the *adviser charge* is paid in instalments. The proportion of the *adviser charge* due as at the end of the reporting period *rp+1* is 0.5.

Field A6 includes the 4 upfront advice services provided within the reporting period *rp+1*.

A *firm* providing restricted advice would complete part 2 of the form in the same way.

Retail clients paying for ongoing advice services (rows 12 – 14)

Number of retail clients paying for ongoing advice services at the end of the reporting period (row 12)	*Firms* should report the number of *retail clients* paying for ongoing advice services (ie paying ongoing *adviser charges*) at the end of the reporting period. This would include any clients who have an ongoing adviser charging agreement, even if the *adviser charges* due are, fully or partially, offset with trail commission received from an investment product provider in respective of a pre-RDR investment held by that client. Any clients on a pre-RDR contract, whereby the client has not entered into an ongoing adviser charging agreement and any ongoing advice received is fully funded through provider commission, should be excluded. Any such commission payments would need to meet the rules in *COBS* 6.1A.4AR and *COBS* 6.1A.4AAG.
Number of retail clients who start paying for ongoing advice services during the reporting period (row 13)	*Firms* should report the number of *retail clients* that started paying for an ongoing advice service (i.e. paying ongoing *adviser charges*) within the reporting period. This could include: • new clients to the *firm* that agreed to start paying for an

	ongoing advice service; • existing clients of the *firm* that may, for example, have previously received an initial advice service but had started paying for ongoing advice in the reporting period; • existing clients of the *firm* that were previously on a pre-RDR commission-based agreement, but moved to an adviser charging agreement and started paying ongoing *adviser charges* in the reporting period.
Number of retail clients who stop paying for ongoing advice services during the reporting period (row 14)	*Firms* should report the number of *retail clients* that were paying an *adviser charge* for ongoing advice during the reporting period, but stopped paying for ongoing advice by the end of the reporting period.

In completing rows 12 to 14, some *firms* may find it easier to report the number of ongoing advice agreements with *retail clients* rather than the number of *retail clients* receiving ongoing advice. For example, if an *adviser* has a single advice agreement with a couple, this agreement can be reported as '1' on the return even though, in effect, two *retail clients* are receiving advice. In contrast, if an *adviser* has separate advice agreements for each individual member of the couple, this should be reported as '2' on the return.

Types of adviser charging structures (rows 15 – 22)

Firms should provide data for all charging structures which are relevant to their *firm*, with those that are not relevant left blank. This minimum and maximum *adviser charge* reported should be reported to two decimal places.

If a *firm* has more than one charging structure, it should report all charging structures and indicate what the typical charging structure is for initial and ongoing services. A *firm* should therefore indicate, as appropriate, at least one initial and one ongoing adviser charging structure that is representative of that most commonly used by the *firm*. If the adviser charging structures typically offered are split evenly between the different charging types (per hour, percentage of investment, fixed fee or combined) for initial and/or ongoing advice services, tick the charging structures that are relevant.

Some *firms* may operate a range of different *adviser charges* relating to different advice services they offer or the amount invested by a *retail client*, such as 0.25% for a basic ongoing advice service and 0.75% for a premium ongoing service. In this example, 0.25% should be reported as the minimum *adviser charge* in row 20 and 0.75% the maximum. Likewise, if 0.75% was charged for the first £50,000 under advice and 0.50% for amounts exceeding £50,000 – 0.50% should be reported as the minimum and 0.75% as the maximum.

The data provided in this section can be based on the advisory *firm's* published tariff or price lists for disclosing the costs of adviser services to *retail clients* and will only require updating as and when the tariff is updated (although *firms* are required to resubmit this data in every reporting period). The only exception to this will be when the *firm* offers a combined charging structure (reported in rows 18 and 22), such as where there is a fixed fee and also a percentage of investment charge. Under these types of combined charging structure arrangements, *firms* should record the actual minimum and maximum charges charged in the reporting period. For example, where the *firm's* charging structure is a combination of a fixed fee element and a percentage basis, the *firm* will need to work out what the actual maximum and minimum *adviser charges* charged in the reporting period were in order to report values as a monetary amount.

Some *firms* may undertake work on a pro bono basis for some clients where, in effect, the *adviser charge* is zero. To complete rows 15 to 22, any work where no *adviser charge* (or zero charge) is levied should be excluded.

Where a *firm* has no range in their charging structure, the minimum and maximum *adviser charges* should be recorded as the same.

Where a *retail client* agrees an initial *adviser charge* for a retail investment product for which an instruction for regular contributions is in place and the *adviser charge* is payable in instalments, to complete rows 15 to 22, *firms* should report the total *adviser charge*, even if that advice is paid over different reporting periods. This is illustrated in example 9.

Example 9 – Reporting the adviser charging structures invoiced as regular payments

An advisory *firm* provides advice on an investment where regular contributions are being made, with a 2% *adviser charge* payable in three equal instalments over different reporting periods. For the purpose of completing row 16, the *adviser charge* would be 2.00%.

Likewise, if the *adviser charge* was £600 as a fixed fee payable in three equal instalments over different reporting periods, for the purpose of completing row 17, the *adviser charge* would be £600.00.

~~**Section L: Consultancy charges**~~

~~In this section we are seeking data from *firms* in relation to *consultancy charges* (*COBS* 6.1C). We will use the data we collect to monitor and analyse the way *retail investment firms* implement the rules on *consultancy charges*.~~

~~*Consultancy charges* are payable on behalf of an employee to a *firm* or other intermediary in respect of advice given or services provided in connection with *group personal pensions schemes* (including a group *SIPP*) and *group stakeholder pension schemes*.~~

~~*Consultancy charge* data should be reported on a cumulative basis throughout the *firm's* financial year, with the exception of the highest, lowest and typical *consultancy charges*. All the data in this section should only be in respect of *retail investment products*.~~

~~*Firms* are asked to split the data on revenue from *consultancy charges* by payment mechanism, i.e. whether the *consultancy charges* have been received directly as a *fee* from the employer, via *product providers*, or via *platform service providers*. *COBS* 6.1D.9R allows for *firms* to facilitate the payment of *consultancy charges* from a *retail investment product* or otherwise by means of a third party such as a *platform service provider*.~~

~~*Firms* that have *appointed representatives* should include their *appointed representatives* as well as the *firm* itself in the information submitted in this section.~~

~~Data elements are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.~~

~~Section L: guide for completion of individual fields~~

~~Retail investment revenue from either or both group personal pension scheme and group stakeholder pension scheme fee and consultancy charges~~	
~~Initial services (row 1)~~	~~This is the revenue invoiced during the reporting period for services provided at the scheme outset. For example, the initial services for setting up the scheme such as advice on the selection of scheme provider and launching the scheme to employees.~~
~~Ongoing services (row 2)~~	~~This is the revenue invoiced during the reporting period for an ongoing service. For example, assisting the employer with the annual scheme renewal or promoting the scheme to new joiners.~~
~~One-off services (row 3)~~	~~This is the revenue invoiced for services provided during the term of the scheme, which have not been included in row 1 or row 2. For example, one-off advice or services an employer may seek about an existing scheme such as whether it meets the government's requirements for auto-enrolment.~~
~~*Fees* invoiced directly to employer clients (column A, data elements 1A to 4A)~~	~~These are all of the *fees* invoiced directly to employer clients.~~
~~*Consultancy charges* invoiced via *product providers* (column B, data elements 1B to 4B)~~	~~These are all *consultancy charges* invoiced via *retail investment product providers* who facilitate, directly or through a third party, the payment of *consultancy charges*.~~
~~*Consultancy charges* invoiced via *platform service providers* (column C, data elements 1C to 4C)~~	~~These are all *consultancy charges* invoiced via *platform service providers* who facilitate, directly or through a third party, the payment of *consultancy charges* by means of a *platform service*.~~
~~Number of employers that received one-off services~~	
~~Number of employers that received one-off services in the reporting period (row 5)~~	~~This should be the number of employers who received services of a one-off nature not included previously in any initial or ongoing charges within the reporting period and where no ongoing service is envisaged.~~
~~Employer clients paying for either or both ongoing group personal pension scheme and~~	

~~**stakeholder pension scheme services**~~	
~~Employer clients receiving ongoing services (row 6)~~	~~This should be the number of employer clients receiving ongoing services (i.e. paying ongoing *consultancy charges*) at the end of the reporting period.~~
~~Employer clients who start receiving ongoing services (row 7)~~	~~This should be the number of employer clients who began receiving an ongoing service (i.e. paying ongoing *consultancy charges*) during the reporting period.~~
~~Employer clients who stop receiving ongoing services (row 8)~~	~~This should be the number of employer clients who stopped receiving an ongoing service (i.e. paying ongoing *consultancy charges*) during the reporting period.~~
~~**Range of consultancy charges**~~	
~~Highest, lowest and typical *consultancy charges* (row 9)~~	~~*Firms* need to report the highest, lowest and typical *consultancy charges* calculated as the first year's projected *consultancy charges* (as % of first year's total employer and employee contributions) applying to *group personal pension schemes* and *group stakeholder pension schemes* set up in the reporting period.~~
~~**Types of consultancy charges in typical scheme**~~	
~~Charging structures offered to active and deferred members of *group personal pension schemes* and *group stakeholder pension schemes*~~	~~Only those fields relevant to the *firm's* typical charging structure should be completed.~~ ~~Tick all that apply.~~

Part 2: Comes into force [*after 1 January 2015*]

[*Editor's Note:* The changes shown below are to the text of SUP 16.11.3R as amended by the Supervision Manual (Product Sales Data and Mortgage Lenders and Administrators Return) (Amendment) Instrument 2013 (FCA 2013/83) which comes into force on 1 January 2015.]

16 Reporting requirements

…

16.11 Product Sales Data Reporting

…

Reporting requirement

16.11.3 R (1) A *firm* must submit a report (a 'data report') containing the information required by:

(a) *SUP* 16.11.5R (a 'sales data report') ~~quarterly~~, within 20 *business days* of the end of the reporting period; and

(b) for *regulated mortgage contracts*, *SUP* 16.11.5AR (a 'performance data report'), within 30 *business days* of the end of the reporting period;

unless ~~(3),~~ (3A) or (4) applies.

…

(3) ~~A *firm* need not submit a sales data report if no relevant sales (excluding sales of *regulated mortgage contracts*) have occurred in the quarter.~~ <u>[deleted]</u>

(3A) A *firm* must submit a nil return:

(a) in the case of a sales data report, if no relevant sales ~~of *regulated mortgage contracts*~~ have occurred in the quarter; and

…

…

Financial Conduct Authority

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