

DDO Obligations – Coming to a Managed Account Near You

Hosted by

Jenny Mulders - QRC Consulting & Chair IMAP Regulatory Group

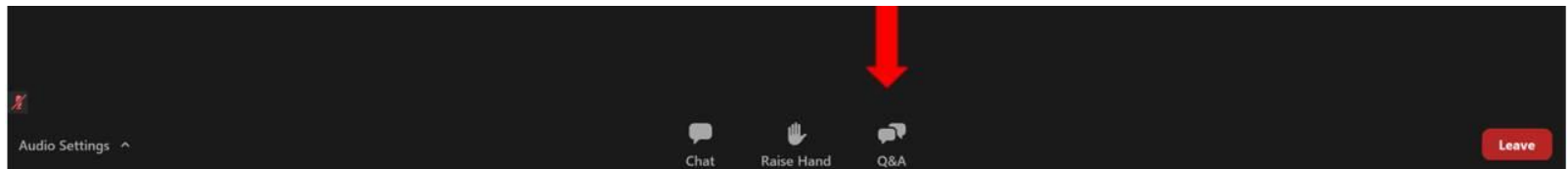
Jesse Vermiglio – Holley Nethercote

Michael Potter – FSC

Greg Illingworth – BT

Simon Carrodus – The Fold Legal

How to ask a Question



DDO Legislation

Jesse Vermiglio – Holley Nethercote



HOLLEY NETHERCOTE

DDO Obligations – Coming to a Managed Account Near You

Jesse Vermiglio
Partner

27 May 2021



Key principles

1. New approach to regulation
2. Product design and distribution practices
3. Expanded definition of financial product
4. Product issuers versus distributors
5. Two-way information flow is key to success



Overview of the key obligations

Design obligations	Distribution obligations
<ul style="list-style-type: none">• Prepare TMD and make it publicly available	<ul style="list-style-type: none">• Not engage in retail product distribution without a TMD (not for personal advice)
<ul style="list-style-type: none">• Review appropriateness of TMD	<ul style="list-style-type: none">• Not engage in retail product distribution where a TMD is no longer appropriate (not for personal advice)
<ul style="list-style-type: none">• Take reasonable steps that retail product distribution is in accordance with TMD (not for personal advice)	<ul style="list-style-type: none">• Take reasonable steps so that distribution is consistent with TMD (not for personal advice)
<ul style="list-style-type: none">• Collect and keep records about TMD	<ul style="list-style-type: none">• Collect, keep and report to product issuer distribution information
<ul style="list-style-type: none">• Notify ASIC of significant dealings	<ul style="list-style-type: none">• Notify the product issuer of any significant dealings inconsistent with TMD

Managed Accounts participants

	Design obligations	Distribution obligations
MDA providers?		
• 2 party model	✓	✓
• 3 party model	✓	x
SMA – Responsible Entities	✓	Depends
SMA – Investment Managers	x	Depends
Advisers	x	✓

Key tips

- Know your role: are you a product issuer, distributor or both?
- Advisers: know when you are (or are not) providing distribution conduct – your obligations will differ
- Ensure open information flows between product issuers and distributors
- Have robust and effective product governance arrangements in place

Need more information or support

For more information on how we can support implementation of DDO for your business, just Google HN Hub or email me at jessev@hnlaw.com.au.



FSC / IMAP TMD Template

Michael Potter – FSC

How to Obtain a copy of the FSC / IMAP Template

<https://imap.asn.au/about-us/ddo-obligations>

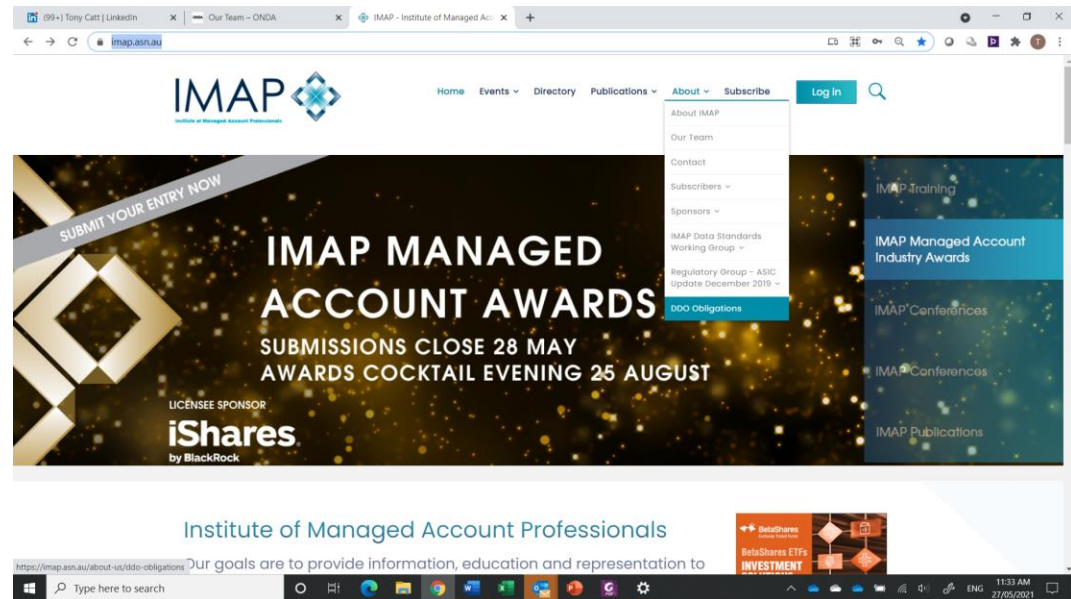
Provide your details and IMAP will organise a licensed copy of the template

\$500 for non IMAP subscribing organisations

\$250 for IMAP subscriber organisations

FSC Members – please contact FSC or access via the member portal:

<https://fsc.org.au/resources/target-market-determination-templates>



Platform Approach

Greg Illingworth – BT

DDO Obligations

Simon Carrodus – The Fold Legal

Questions