

Minutes of ViaNova TPA Group

Friday, 16 May 2014

Barnett Waddingham, London office 10:00am to 11:40am

Present: Paul Latimer (Barnett Waddingham) Tim Scholes (Barnett Waddingham)
Aline Booth (RPMI) Jonathan Papier (Hymans Robertson)
David Cole (Towers Watson) Sue Matthews-Brown (Towers Watson)
Jon Oakley (Mercer – by conference call)

In attendance:

Action

1. Apologies and introductions

All who had accepted the invitation were present.

It did raise the question of whether our ViaNova email list (as supplied by Steve Wallace from the main group list) includes everyone who should be. Perhaps the product providers and/or system providers could confirm their list of TPA contacts if needed to ensure we have the right people. For example no representatives from Aon Hewitt, Capita or JLT.

2. Remit

“To encourage product providers (fund managers) to use ViaNova. That could be those already using it to open up more funds/policies and getting new product providers to sign up.”

Everyone present was happy with this remit.

For the purposes of the discussion we included DB and DC.

We would like to see DB AVCs included somewhere along the line.

We would like product and system providers to look at inter-manager switches.

3. For product providers already using ViaNova – our experiences

Some examples:

BlackRock – different solutions needed for some funds e.g. BGI, legacy, onshore, offshore.

L&G – benchmarked funds can't be done (but noted that is being worked on and also need system provider support).

AXA can send prices not holdings.

Schroders/Aberdeen – can do buys and sells but not switches.

Noted that Fidelity using platforms for smaller funds.

Some product providers just deal with trades; some with trades and prices; others trades, prices and holdings.

Noted that there is an issue with non GBP funds as different product providers send back

currency information in different ways.

Each product provider has different processes whether on the agreement side, testing, settlements. Would be easier to engage with new TPAs if more consistency of approach.

Therefore there are barriers to full coverage even if the appetite is there.

4. Encouraging new product providers to sign up

Product providers not using ViaNova solution include Aviva and Prudential M&G.

SAJ

They may be using ISO20022 but means we have different solutions in the market. It may be they are concentrating on contract based DC not trust based DC.

The product providers need to know the benefits of the ViaNova solution.

One proposal is to ask a product provider such as L&G to present as a case study showing their experience, lessons learnt and efficiencies gained. We can then take that out to product providers not using ViaNova.

We need to engage with investment consultants and independent trustees so they understand the concepts. If the clients are better 'informed' then easier to make the business case.

Will legislation on DC force all product providers to engage to reduce costs and improve efficiency.

System providers – do they need to do more to help product providers?

Is Swift a barrier? Conclusion was that at this time Swift is fundamental to full ViaNova implementation.

5. The 'perfect' investment instruction process from a TPA perspective

Simply put the flow of information should be seamless and not require manual intervention. Diagrams could be produced if needed to show this if presenting to new product providers or TPAs.

There was a discussion over whether ViaNova has too much detail, could things be trimmed, is it a barrier to more product provider engagement?

However counter-argument is that ViaNova is the full solution and encompasses everything required.

How do we make ViaNova future proof?

Conclusion was that the group is happy with ViaNova and that we have the appetite to promote it.

6. Ideas from Technology Group meeting 15 April 2014

- ViaNova 'Ready'
- ViaNova 'Proven' certification
- Proposed survey list

Survey:

Company name:

Do you have a BIC code?

Can you process ISO 20022 messages as specified in the ViaNova Standard?

Which of the flowing messages do you support?

Subscription Order	setr.010.001.03
Subscription Order Cancellation Request	setr.011.001.03
Subscription Order Confirmation	setr.012.001.03
Redemption Order	setr.004.001.03
Redemption Order Cancellation Request	setr.005.001.03
Redemption Order Confirmation	setr.006.001.03
Switch Order	setr.013.001.03
Switch Order Cancellation Request	setr.014.001.03
Switch Order Confirmation	setr.015.001.03
Order Instruction Status Report	setr.016.001.03
Order Cancellation Status Report	setr.017.001.03
Price Report	reda.001.001.04
Custody Statement Of Holdings	semt.002.001.02
Statement of Investment Fund Transactions	semt.006.001.02

Do you have a published implementation guide?

Are you interested in taking on more counterparties?

Do we have anything to add to this survey?

There is a worry that this could be too much of a yes/no exercise where there may be shades of grey. Do we need to record percentage of policies or clients using each of these? Alternatively we could ask whether there are any exceptions to each of the supported messages.

Need to make it BICs plural as some have more than one to deal with different solutions at present.

Can we include means of connection e.g. direct, gateway, Swift?

One suggestion is that initially the survey is completed by product providers and TPAs in the group, and then TPAs complete based on their experience of the product providers and vice versa. Once that is cross-referenced we'll have a better idea of where we all stand.

7. Next steps

Report back to main group on 20 May 2014.

- Yes survey is a good idea so that we can determine ready and proven solutions, and then build business cases for further adoption.
- Need to engage with investment consultants and independent trustees, so need to figure out how to get message out there e.g. speak at conferences, write articles

8. Any other business

We shouldn't forget pot follows member and what the DWP are planning. Also transfers on the trust based side as seen by push from Origo.

Meeting closed at 11:40am.