## Annual regulatory return information to be provided by licensed Discretionary Investment Management Services (DIMS) providers to the FMA

The reporting period for this regulatory return is each 12-month period from 1 July to 30 June.

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| **OFFER INFORMATION**  Please answer the following questions about the licensed business as a whole (unless the context indicates otherwise). |

|  | **Questions we will ask you** | **Guidance** | **Feedback on the question** |
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|  | Name of company (DIMS provider) |  |  |
|  | FSP Number | This is to ensure the correct entity is mapped to our data |  |
|  | Details for person submitting the report: | Name, title, phone, email address |  |
|  | Date of submission | Date the report was provided to the FMA |  |
|  | Please detail the number of complaints your licensed service:  - received during the year  - resolved during the year  - currently open  - referred to the Dispute Resolution Scheme (DRS) from entity  - directed straight to DRS from complainant  - resolved by DRS (financially or otherwise)  - declined by DRS.  Please also categorise each complaint into one of the following:  • misleading information or inappropriate advice  • non-disclosure of fees and/or terms of the contract  • suitability of product for the consumer’s needs  • transaction disputes  • other (please define). | Please provide a number under each heading.  Where a complaint is directed straight to the Dispute Resolution Scheme (DRS) from a complainant, this is expected to be referred back to the entity.  Where a DRS complaint resulted in a financial judgement please provide details of settlement amount.  Misleading information or inappropriate advice would be in respect to the initial advice to join the service.  Transaction disputes will include complaints about excessive trading or asset allocation. |  |
|  | Have there been any changes to your outsource providers post-licensing for the following functions related to your licensed service?  If yes, provide the name of the outsource provider:  - Administration  - Advice  - Custody  - Research / portfolio construction  - Wrap platform providers  - Other (please specify). | Please provide the name of each service changed.  Rationale: While we are aware that you will have provided information about your outsource providers at licensing, we are interested in changes made since then. We wish to observe whether there is a concentration of providers either within the entity or across the industry. |  |
|  | Please provide the total number of brokers/dealers/advisers for your licensed DIMS service and percentage turnover in the last 12 months. | Rationale: To measure frontline staff turnover across the industry and identify any areas where turnover might appear excessive. |  |
|  | What is the total value of retail Assets Under Management (AUM) managed by your licensed service?  Please provide the number of accounts this valuation represents and also break this down by class and personalised advice. | NZD amount to nearest thousand.  Rationale: To measure AUM and, over time, its growth. Also to measure the split between class and personalised services, consider where an entity’s services are focused and therefore what skillsets would be required and what issues we might encounter. |  |
|  | Please list each of the investment strategies that your DIMS client funds are managed under and for each please provide:  1) Total AUM and 2) Number of investors per investment strategy. | NZD amount and number of investors for each.  Rationale: To assess the risk appetite of an entity’s clients and the breakdown of client numbers across the strategies offered. |  |
|  | How many clients have money invested in your licensed service within each of the following ranges?  - Under $100k  - $100k to $500k  - $500k to $1m  - $1m - $5m  - Over $5m | Please provide a number in each financial range.  Rationale: To measure investors financial commitment within the entity and also across the industry. This information will contribute to our understanding of the financial scale and spread of each entities clients. |  |
|  | What percentage of gross revenue does your DIMS business contribute to your overall groups business? | Please provide a percentage amount.  Rationale: To enable assessment of the contribution and importance of the DIMS service to your overall group revenue. |  |
|  | What was the gross revenue earned from your licensed service?  Also, what was the percentage of revenue earned from:  - Management fees  - Brokerage  - Performance fees. | Please provide the NZD amount and also percentage.  Rationale: To enable assessment of the structure of your revenues and identify the dominant contributors. |  |
|  | Please provide the following information on related party transactions during the reporting period:  (a) total value of transactions with a related party?  (b) the total value of the benefit you received from transactions identified in (a)? | Please provide the NZD amount.  Data should be provided as an aggregate figure for all related party certificates (since those are not updated on a quarterly basis).  Please report these using the same methodology as for reporting in the initial certificate.  Rationale: While initial related party transaction certificates include the value of the transactions, subsequent certificates do not require that information. It is needed to enable us to assess any risk related to those transactions. |  |
|  | What was the average management fee charged across your accounts for your DIMS service as a percentage of AUM? | Please provide the percentage figure. |  |
|  | Please provide details of the approach you take to monitoring how effective your communications to investors are in helping them make informed decisions. | We are looking for information about how you communicate with your customers to meet their needs.  Rationale: We are seeking to understand how licensed entities ensure they meet their conduct obligations. The categories are aligned with those we use in other surveys. |  |
|  | Which communication channels have you introduced, or adjusted your use of, this year? | Name the channels, the extent of the change, and the research that led you to make the change. Examples could include website, call centre, chatbot, email or social media. |  |
|  | What research have you conducted during the year to:   1. ensure mandatory disclosure documents meet clear, concise and effective tests (where relevant) and help investors make informed decisions? 2. ensure discretionary supporting communication materials are relevant and useful for investors in making informed decisions? 3. ensure investors understand what they are paying for? | Please name the research for each of (a), (b) and (c).  Examples of research could include a plain language audit or consumer focus groups.  Examples of sales materials include websites’ fund information or brochures. |  |
|  | Do you prepare regular reports on how you measure whether your communications are helping customers make informed decisions about their investments, including whether they understand what they are paying for?   1. to senior management 2. to your board | Rationale: We are seeking to understand the checks and balances you have in place to ensure you meet conduct obligations.  Please provide yes/no answers for both (a) and (b). |  |