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**Date: 8 November 2018**

Dear Peter,

**RE: Investment Association response to the CMA consultation paper 'Draft definitions of Investment Consultancy services and Fiduciary Management services for the purposes of potential remedies'**

In light of our previous discussions on the definition of fiduciary management and investment consultancy, we are grateful for the opportunity to comment on the draft definitions of these terms ahead of the publication of the CMA's final report.

Having reviewed the draft definitions and consulted with a number of our members, we believe the proposed wording better captures the appropriate activities and services in comparison to the definitions in the Provisional Decision Report.

In particular, we are satisfied that at this high-level the revised definition of fiduciary management captures both full and partial fiduciary and that the activities set out in paragraphs 1(a)-(d) and 5 are the appropriate ones provided under the relevant services.

However, we continue to believe that the definitions would benefit from an explicit link to the 1995 Pensions Act as there remains, in our view, a risk that the definitions could inadvertently pick up unintended areas of activity. For example, where an asset manager has presented a potential product or solution as part of a sales process, the definition of investment consultancy set out in the draft could be interpreted to include any situation in which a firm provides information about its' set of products and their key features.

Adding a link to the 1995 Pensions Act removes this possibility by making it clear that only services provided to trustees in the context of their obligations to seek advice under the Act would constitute IC or FM for the purposes of applying the CMA's remedies.

We would therefore suggest at least the following minor amendments to the draft definitions for the next stage of the CMA's work:

Amendment to paragraph 1

" 'Investment consultancy service' means the provision of a service to pension scheme trustees where the provider advises the trustees **receive advice from the provider under s36(1) of the 1995 Pensions Act** in relation to one or more of the following: "

Amendment to paragraph 4a



“ ‘Fiduciary management service’ means the provision of a service to pension scheme trustees where:

a. the provider advises the trustees **under s36(1) of the 1995 Pensions Act** on investments that may be made by or on behalf of the trustees; and

.. ”

I hope this response is helpful and we would be delighted to discuss it with you further.

Yours sincerely,

**Imran Razvi**

**Public Policy Adviser**