



## Newsletter July 2009

**The Chinese threat “may you live in interesting times” is never more true than today. The last few weeks have seen a wealth of new regulatory initiatives which have left many in the industry reeling.**

The main UK political parties have all published their proposals for radical changes to the UK regulatory system and it is likely we will see some wholesale changes to the current tripartite approach between the FSA, HM Treasury and Bank of England.

Our team of compliance associates have put together a series of workshops that can help your staff understand the impact from these changes. Our workshops include a new Corporate Governance workshop (due to go onto our website shortly) and Senior Management workshops. Please call us for further details.

Elsewhere, the long-awaited Walker report was published, following hot on the heels of the FSA's remuneration consultation. Nothing will be the same for firms and individuals employed in financial services.

### Key articles:

- [New financial services & business bill \(1 July 2009\)](#)
- [Walker report \(20 July 2009\)](#)
- [Dear CEO letter on remuneration \(21/7/09\)](#)

### Relevant training course: [Senior managers workshop](#)

The importance of the asset management industry to both the UK economy and the financial services industry was underpinned by the publication of the latest IMA Annual Asset Management Survey. Data shows that the industry has £3trn of assets under management and earns more than £9bn in fees.

In the retail funds space things continue to heat up. The FSA has published further information on implementing the RDR and CESR has published a consultation on the Management Passport and Key Information Documentation for UCITS funds.

Perhaps the most interesting paper in this area was from the FSA on changes to the consent regime. While this innocuous-sounding paper doesn't seem exciting it has put the onus firmly on the fund provider to value derivative products properly. Firms will not be able to ask their broker to! price esoteric OTC derivatives in future.

As more firms use the wider-powers under UCITS III it is vital that both front office and back office staff are aware of the issues confronting the firm, its products and its clients. We are aware that many firms have severely slashed their training budgets this year. If you are going to train in one area, we would suggest you ensure your staff are up to date with Derivatives and the impact of UCITS III. We have a number of workshops that can help meet these needs.

### Key articles:

- [IMA Asset Management Survey 2009 \(22 July 2009\)](#)
- [Delivering the RDR: FSA Speech \(16 July 2009\)](#)
- [White Labelling: FSA Industry Update \(21 July 2009\)](#)
- [UCITS management passport - CESR consultation \(9 July 2009\)](#)
- [UCITS Key Information Document: CESR Consultation \(9 July 2009\)](#)
- [Consent Regime amended \(8 July 2009\)](#)

**Relevant Training Courses:**

Open courses will be run in London and Edinburgh in October/November for these subjects. We also run these as in house courses - please contact us for pricing for the in house courses.

[Introduction To Derivatives](#)

[Introduction To Investment Management](#)

[Principles of Portfolio Management](#)

[UCITS Workshop](#)

[UCITS III using Derivatives](#)

It is vital that the UK doesn't lose its premier position in asset management to other regions. Leading industry figures are fighting hard to amend the Alternative Investment Funds Directive (which the industry has named DIFID). This EU initiative poses a severe threat to the management of alternative investment funds (hedge funds) in the UK.

**Key Articles:**

- [Directive on Alternative Investment Fund Managers \(AIFM\) \(30 June 2009\)](#)
- [Alternative Funds: Speech by Lord Myners \(8 July 2009\)](#)

We have a [workshop](#) to help your staff understand the workings of the hedge fund industry

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[Financial industry news](#) is regularly updated and can be viewed on our website

[MSConsultants Training Courses](#)

[Glossary of financial terms](#)

[MSConsultants website](#)

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