



CENTRIQ

INSURANCE INNOVATION

UPDATE ON REGULATORY STATUS

TREATING CUSTOMERS FAIRLY (TCF)

UPDATE	<p>The Financial Services Board (FSB) has on 31 March 2011 published a Roadmap for its Treating Customers Fairly (TCF) initiative. TCF is a programme for regulating the market conduct of financial services firms. It seeks to ensure that fair treatment of customers is embedded within the culture of regulated firms. TCF will use a combination of market conduct principles and explicit rules to drive the delivery of clear and measurable fairness outcomes. It will also enforce the delivery of these outcomes through imposing visible and credible deterrents to unfair treatment. On 15 December 2011 the Financial Service Board published its feedback report following a pilot self-assessment project completed by 20 financial services companies with over 200 different FSB licenses. The final version of the TCF self-assessment is expected for publication during the first quarter of 2012 and will serve as a baseline exercise on TCF readiness.</p> <p>The FSB will on an on-going basis provide regulatory guidance to the various industry sectors regarding the allocation of TCF responsibility across the value chain, ensuring delivery of TCF in relation to bundled products, loyalty arrangements, "add-o" services, the roles of product suppliers and financial advisors and other intermediaries in delivering TCF outcomes, the regulatory expectations regarding TCF related management information and ensuring that TCF risks are effectively incorporated in the enterprise wide risk management frameworks.</p>
LEGAL STATUS / REGULATIONS	<p>The Roadmap explains the principles and processes the FSB will follow in implementing TCF and sets out a timeline - spanning approximately 3 years - for delivery of key TCF milestones. The process will entail the development of appropriate regulatory and supervisory frameworks to deliver TCF, including extensive engagement with other relevant regulators, the financial services industry and other stakeholders.</p>
DATE ASSENTED BY THE PRESIDENT	<p>Not applicable.</p>
EFFECTIVE DATES	<p>FSB Published on 31 March 2011 the roadmap for its TCF initiative.</p>