



TISA Exchange

An Introduction to TISA Exchange

Introduction to TeX:

TeX (TISA Exchange Limited) is a TISA backed industry initiative that is supported by the FCA and many leading financial service companies such as your own. We believe that you and your clients would achieve significant benefit from joining us in supporting this industry initiative.

For your information we have outlined below details of the TeX initiative, its benefits for your company and clients and the implications for the industry.

Background:

In 2011, the FSA made it clear via a TISA forum that if the industry did not introduce automated standards for the re-registration of funds to provide rapid and secure transfers from one provider to another then they would be forced to introduce regulation to impose standards. This pressure from the FSA was a direct result of a number of issues relating to the re-registration of funds that was causing unacceptable client service levels with assets sometimes taking many months to transfer and clients being 'out of the market' for the duration of this re-registration period and, on occasions, the tracking of assets / ownership of assets being at question.

The TeX Project:

Following encouragement from the FSA, TISA created an industry committee of senior executives from platforms, fund groups and third-party service providers to oversee the development of an automated services utility to support asset re-registration. This led to the successful development of the standards and associated Service Level Agreements (SLAs) for the transfer of funds from one provider to another, supporting the automated, in-specie transfer of assets within an agreed five-day SLA. These standards were widely supported by the industry and received positive and supportive feedback from the FSA.

Having standards was a good step forward but without timely implementation across the industry the FSA made it clear that they would impose regulation in this area. This additional pressure led TISA to investigate the best means to establish and implement the standards. Following consultation across the industry, this resulted in the development of TeX.

TeX Provision:

TeX provides the following implementation controls and services in support of the asset transfer services:

- Input into the on-going development and control of the messaging standards.
- Continued development and maintenance of a standard industry contract that sets out:
 - Clear mandates relating to liabilities and responsibilities
 - Controls around the use of the reregistration process utility,
 - The acceptable Service Levels to be employed in their use and
 - The means by which liability and disputes (if any) can be resolved following any issues during the transfer taking place.
- Provision of an industry body where all providers can have input to the ongoing development of re-registration and the provision of feedback on the implementation of the standards.
- Provision of a register of legitimate providers who have committed to use the standards.
- Provision of implementation services to assist new providers and their associated service providers to implement the standards, SLAs and contracts.
- Provision of an industry forum where issues and disputes can be resolved.

TeX Corporate Structure and Governance:

TeX is a non-profit organisation lead by a board of elected directors from across the industry with a number of forums, reporting to the board, to shape the ongoing development of TeX.

TeX Forums:

TeX operates 3 Advisory Councils, attended exclusively by TeX Members, to manage the contracts and standards and consider changes to the wider regulatory and financial services industry landscapes.

Operational, legal and inter-operability matters are also managed within those forums.



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TeX – The Benefits of Membership:

The reasons why the re-registration standards and the formation of TeX receive wide support from the industry and the FCA is a direct result of the benefits that the standards bring to both providers and their clients, including:

- The ability to automate the in-specie re-registration of funds with this automation leading to a consistent, controlled and secure transfer process for clients funds from one provider to another (e.g. the transfer of an investment account and / or ISA from one platform to another, from one fund provider to another, from a fund provider to a platform etc.).
- The standards and their automation making possible:
 - The ability for providers to publish standards for the rapid transfer of client assets thereby improving current and prospect client's confidence in the process.
 - The lowering of costs for all those involved in the re-registration of assets; the automated standards replacing costly manual processes.
- The provision of contracts and associated control processes by TeX providing:
 - The on-going development of a single industry-wide contract for the implementation of the standards – this preventing the need for the development of thousands of differing contracts across the industry and the significant costs and implementation timelines associated with this.
 - On-going control of the development / improvement of the standards.
 - All of the above supporting the rapid implementation of the new standards across the industry and the future proofing of the development process for the standards and associated SLAs.

During the Coronavirus disruption period, the transfer processes utilised by TeX members encountered minimal disturbance, enabling business to run as usual for those members transferring electronically. In contrast, transfer processes reliant on paper exchange were severely impacted causing delays for consumers and large-scale issues in operational processing for firms.

TeX Membership:

TeX and the standards are well established with over 200 active members of TeX. These include -

- UKs leading platforms providers – including Fidelity, Cofunds, AXA, Standard Life and Skandia.
- Major fund providers - including Invesco Perpetual, Blackrock, Schroders and Jupiter.
- Major service providers – including Swift and Altus.
- Leading Banks – including Barclays and HSBC.

Becoming a member of TeX:

We are looking to further expand the membership of TeX in order to continue to expand the scope of the implementation of the re-registration standards across the industry for the benefit of all TeX members.

The membership fee for joining TeX has already proven to be cost effective with existing members saying that the fee is lower than that they would have to spend on developing one single re-registration contract, let alone the costs for having to implement many contracts and associated service standards and approaches.

Joining TeX is a two-step process:

- 1) Complete the Joining Form, giving assurance to your staff, clients, the FCA and the wider industry of your commitment.
- 2) Complete the Registration Form, thus signing up to the terms of membership and gaining access to the TeX register.

To join TeX simply log on to www.tisaexchange.co.uk/become-a-tex-member/ to complete the online application process or browse the 'Join TeX' menu for more information.