



TeX Onboarding Guide

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Document History

Version	Date	Author	Description
0.1	05/08/2014	B Cocks / C Cornell Johnson	Initial document – agreed by TeX SLA & Operational Advisory Council July 2014
0.2	01/12/2017	N Riddel	Update to common onboarding queries and included a new template for member onboarding
0.3	03/02/2021	D Aspinall	Update to section 4.4 to include section for payment method authorisation

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1. Introduction

- 1.1. This document describes onboarding activities for new members of the TISA Exchange (TeX).
- 1.2. There are three phases to onboarding:
 - Joining TeX
 - Establishing a transfer capability and registering as a member of TeX
 - Engaging with other TeX participants
- 1.3. This document is for guidance only and does not form part of the TeX contract or service level agreement.
- 1.4. It should be noted that the timescales for live implementation of electronic transfers largely depends on the individual firm and their chosen service provider (including service provider selection and integration of systems).

2. Joining TeX

- 2.1. Comprehensive information on the role of TeX, the obligations of members and guidance on completing membership forms is published on the TeX website (www.tisaexchange.co.uk).
- 2.2. There are two stages of TeX membership:
 - Joining TeX – the first step to participating in TeX
 - Registering as a member of TeX – to be completed when members are ready to transfer within the TeX SLA and sign up to the TeX contract terms and legal agreements
- 2.3. TeX membership is subject to an initial joining fee and an annual membership fee. Details are given on the TeX website.
- 2.4. On joining TeX new members should be aware:
 - Joining TeX indicates an intention to move towards automated transfers
 - Only one joining form / fee is required per corporate group
 - Joining TeX allows for company participation in TeX member groups
- 2.5. Members are encouraged to play an active part in the TeX advisory councils and working groups / technical committees to ensure that they understand and can influence new TeX developments.

3. Establishing a Transfer Capability and Registering as a Member of TeX

- 3.1. Before completing membership forms new members should consider:
- Whether TeX legal and service level obligations are acceptable
 - Which legal entity is to be registered for membership
 - Which category of membership is required
 - The FCA (or other relevant) permissions required for membership
- 3.2. TeX members need to deploy their own systems to handle electronic transfers according to the UKFMPG Transfers Market Practice as defined in the TeX Service Level Agreement (SLA). (It is possible in some circumstances to process transfers manually with the exchange of paper forms under TeX but this will be in exceptional circumstances only.)
- 3.3. TeX members may build their own systems or employ one of the technology suppliers that offer compliant systems. Members will need to ensure that they can:
- Comply with the technical standards defined in the TeX SLA
 - Reliably operate within the defined service levels defined in the TeX SLA
 - Report on service levels as specified in the TeX MI Reporting document
- 3.4. Members are responsible for testing their own systems although they may engage with other participants to help achieve this. TeX does not define any test criteria or provide any validation services.
- 3.5. Once the capability to process electronic transfers is in place the new member should request that their details are added to the TeX register. This will include:
- The scope of transfer service provided (manual or manual and electronic and any further requirements in terms of brands and products)
 - Unique electronic address details (BIC and SWIFT DN) supplied to you by your service provider
- 3.6. Full details of the registration process and the registration forms are on the TeX website along with change request forms for existing TeX members.

4. Engaging with other TeX Participants

- 4.1. All members will be subject to the new applicant and ongoing checks defined in the TeX By-laws. However, members are responsible for undertaking any additional due diligence on other members necessary to satisfy their own risk and compliance requirements and are not obliged to respond to requests or instructions from other members unless and until this is complete.
- 4.2. Subject to due diligence, all members should engage with as many other TeX participants as possible.
- 4.3. A list of live electronic counterparties is maintained in the 'members only' area of the TeX website where members can view which participants are set up to transfer electronically with one another (http://www.tisaexchange.co.uk/technical_counterparties.html).
- 4.4. Before sending transfer requests to another participant, members should contact the first-tier escalation representative for that organisation given on the TeX register to confirm:
 - That they are willing to process transfer requests
 - Whether any testing will be carried out
 - When the processing of electronic transfers will commence
 - How inflight transfers should be processed (typically by completing using the same method used to initiate)
 - How each participant's bank details are maintained by the other party. Both participants must agree whether banking details will be maintained in either or both participants' static data and/or whether either party will accept bank details included within individual transfer instructions. If static data bank details are to be maintained, the parties should also agree whether these can ever be superseded by banking information included on an individual transfer.
- 4.5. Member Onboarding template should be used to ensure uniform information is provided to the counterparty. This template can be found on the TeX website.
- 4.6. Once members are set up to transfer electronically with another participant, they should inform TeX by email at tex@tisa.uk.com to update the list of live electronic counterparties.



5. Common Onboarding Queries

- 5.1. **Why is Ceding Nominee Account Information not being validated?** In some instances, minor discrepancies can exist with ceding account information. When identified by providers, these discrepancies can cause delays. We recommend that, to avoid delays, the service providers and fund managers exchange details prior to going live to confirm they match. We do however appreciate that this may not be possible in all situations depending on how the service provider has their assets registered with the fund manager.
- 5.2. **How should Delay Messages be used?** While there is a defined set of reasons that dictate when a delay message could be used, in some cases there is a significant time period between the initial delay being issued and then the case moving to the next stage. As part of the onboarding process, the ceding scheme should document if they are likely to use the delay option regularly (e.g. for those that take fees prior to confirming a transfer) and how long cases may be delayed on average.
- 5.3. **How can I ensure the transferring assets can be accepted?** There have been a number of situations where fund transfers are accepted by the acquiring scheme and subsequently rejected at a later date. An example of this may be where certain share classes cannot be held by the receiving scheme. In line with agreed business processes, effort should always be made to review the assets held in the wrapper prior to instructing the transfer rather than after.
- 5.4. **How can I tell when a Fund Manager has different processes for different products?** Several large firms have various parts of their business administered in different offices. Whilst electronic re-registration helps us overcome many of the challenges resulting from geographical dispersion, we recommend that firms specify which offices should be used for communications when dealing with their various products.
- 5.5. **Brand name vs Company Name** – It can sometimes be unclear who a firm is from the information shown i.e. Transact are shown as Integrated Financial Arrangements Ltd. We recommend that brand/company name is kept consistent through communications
- 5.6. **How should I transfer cash as part of an electronic transfer?** Most electronic counterparties prefer receiving payments via electronic methods rather than cheque. Electronic payments are more secure and faster, so help with our goal of reducing the time it takes to complete a transfer from end to end.

