

ASR Hints & Tips.

I've spoken to literally hundreds of advisers and paraplanners over the last year or so and this subject always comes up. The variances between firms and planners are huge. I've seen such a wild range of ASRs in that time also. This has led me to conclude that we're not 100% sure what we're supposed to be doing with them.

Well having read the legislation and conducting my own research, I think I'm almost there. Here are my top tips to help you through ASRs. For more detailed information please see the ASR section in our [Suitability Whitepaper](#).

What needs to be included?

The question on everyone's lips. The following aspects must be included always.

- ⚠ Any changes to objectives, or confirm if none.
- ⚠ Any changes to the plan or the strategy, or confirm if none.
- ⚠ Any changes to the risk profile, or confirm if none.
- ⚠ Confirmation the advice remains suitable (assuming it does!).

I would suggest, if any of the above did change then a new recommendation may be required, which would lead to a full suitability report anyway.

A separate requirement for disclosure is:

- ⚠ Adviser ex-post (past) and ex-ante (future) fees for the previous and upcoming year. And these are often included in the ASR, to keep things simpler for the client (if not for the adviser).

Short and sweet.

We've included a sample of how you get all of the information in one page. It doesn't have to be one page, but it really doesn't have to be War & Peace. All you need to include are the above.

In addition, consider the following.

- ⊗ You do not need to cover off the platform or fund fees where these are sent by the provider.
- ⚠ That is their responsibility, not yours.
- ✔ However, I would suggest good practice is to provide them where you can for full disclosure, all in one place for the client (and if they provide information at a different time to your reviews). Feedback has shown clients have become confused with all of the different information from different sources.
- ⊗ You do not have to provide commentary on the market, economy or even on the portfolio performance.
- ✔ However, it may be good practice, certainly in market downturns to provide such commentary to reassure the client.
- ⊗ You do not have to provide anything that was in the original suitability letter, so no risk definitions or planning areas or even a summary of their circumstances, as long as there have been no changes.

- ✔ You can however, provide as much additional information as you wish, or as much as you feel the client is accustomed to or would expect.

Timing.

Ideally try and time your ASR document to go out with the platform mailer, so the client receives information all at once, and it should broadly match. Just to reduce confusion. Schedule your diary to take advantage of platform disclosures, and include your ASR as part of your client review.

- ✔ You need to confirm suitability at least annually and in writing.
- ✔ More often for the higher risk products.
- ⊗ If the client is taking extra risk with a product, this must be reviewed more than annually. The higher the risk, the more frequently it should be reviewed.

Plans.

For now, MiFID II covers only ISAs and GIAs and does not require you to provide information on other vehicles, therefore your responsibility is to only provide the above information on these.

- ⊗ You do not have to confirm suitability or provide an ASR for bonds or pensions.
- ✔ However, for good practice, provide as much information as you can from all plans. It provides a good service for the client, and shows that you are fully transparent. It also allows you to be prepared when inevitably, regulation is expanded to include all plans.

Type.

ASRs come in many forms. There is the simple version (as per our example) though we've seen a variety of ASRs in very different formats. Do not re-invent the wheel. If you're already doing comprehensive regular reviews and updating financial plans for your client, then you do not need to do this in addition. Just ensure you are hitting the MiFID rules by stating the most important facts (as shown above) as part of your existing documentation.

Some options are shown below.

- ⚠ Standalone document.
- ⚠ Timed with platform disclosure
- ⚠ Part of an annual review
- ⚠ Part of a financial review
- ⚠ Part of a separate recommendation.

In short, as long as you provide the main features and you are confident that the advice remains suitable, you should be fine and it should not be as much of a headache as it has been.

If you are struggling with the ASR processes, Para-Sols are able to help by providing support to complete the ASRs for you. Please contact them for further information and pricing.