

#	Question	Answer
1	Will DDO apply to managed discretionary accounts? In my understanding, the requirement to prepare a TMD is, broadly speaking, dependant on whether I am required to prepare a PDS for the product and ASIC has given relief from the requirement to prepare a PDS for MDAs	This is an open question, there is a general requirement for TMDs to be prepared for financial products that fall under the PDS regime. There is then a carve out for a MDA to have a PDS so there is a grey area but at this time we believe MDAs are caught. IMAP is considering an application for relief on the grounds that, as personal advice is required in every instance, they must be suitable for the investor
2	What's a TMD?	"Target Market Determination"- Each product issuer is required to prepare one showing who the product is intended to be acquired by and on what conditions
3	Can you clarify what you mean by an MDA provider? Is this different to advisers offering an MDA service? Is the MDA service offered by advisers caught by DDO?	<p>The MDA Provider is legally responsible for issuing the MDA service, also known as an MDA operator. They may also be the advice provider. An MDA Service offered by advice firms are probably caught - see answer to Q1</p> <p>An MDA adviser who is not the operator needs to consider the TMD but is not responsible for creating the TMD.</p>
4	Is there a requirement for Distributors to collect and store what could be a broad range of TMD 'demographics' to electronically screen clients prior to distributing a product, or to monitor clients in a product who potentially fall out of a TMD scope?	<p>Distributors are required to consider the TMD when providing advice on a product – either general or personal advice.</p> <p>TMD screening would be in addition to any BID assessment.</p>
5	I use and love my platform's managed account service and understand the Product provider, provides the PDS. Is that correct? Do I, as a AFS Licensee who advises and deal in the managed account also have to create a PDS?	No, the platform as Responsible Entity of the managed account will continue to be responsible for the managed account PDS and the TMD for the managed account.
6	Where are product providers up to with releasing their TMDs? Have we seen any in the market yet?	They need to be available by October 5th. Many issuers will have them available before that date.
7	Is this template supposed to be available to consumers? Is that the requirement? or to the regulator?	The TMD when completed by issuers should be provided to distributors and be publicly available to anyone including customers and the regulator.
8	When an AFSL puts together a model portfolio for use by their advisers, does it then move it to Issuer status and obligations?	The issuer is the Responsible Entity of the SMA typically the platform, or MDA Provider. They have the responsibility to prepare the TMD. We expect they will seek the involvement of the model manager for TMD conditions.

9	Was any consideration given in doing a TMD at a Scheme Level (assuming there's 1 PDS for the Scheme) as opposed to a TMD for each individual model/investment option within the Scheme? If yes, why was it not adopted as a template?	It is essentially up to the product issuer how they approach this. A TMD could be issued for the whole scheme but the information would likely then be very broad, or for groups of portfolios e.g. all balanced models, with similar target market characteristics, or for each model. Each issuer will determine the approach that is most effective for them.
10	Has ASIC reviewed and approved the TMD template the FSC has produced?	Yes, they have been invited to review it and their feedback has been taken into account. ASIC does not "approve" this type of document.
11	Re SMA, in a scenario where the Manager only provides model portfolio IP to a platform for a particular SMA offering (and all trading and offer doc responsibility sits with the platform), is it only the platform that is required to produce a TMD?	See the answer to Q 8
12	In relation to reporting to the product issuer on complaints, significant dealing and outside TMD would it be the AFSL reporting or adviser level?	We expect that licensees will oversee reporting, but the detail required is typically held at adviser level.
13	Does the TMD go on the Responsible Entity's website or the investment manager site?	The Responsible Entity is required to make it publicly available
14	With excluded conduct in mind, if a product is distributed under excluded conduct and the consumer does not fit the TMD, is this a 'significant dealing' or not given the distribution was under the personal advice model?	This conduct may or may not be significant dealing. The TMD template provides guidance to distributors on whether dealing might be significant dealing, and this guidance applies regardless of whether personal advice is provided
15	Are planners distributors and, if so, what reporting obligations apply to planners under the personal advice model? Are they as shown in the template TMD?	Yes, planners are generally distributors and their obligations are generally as shown in the template TMD
16	If our business only deals with Wholesale Clients do the Design and Distribution Rules apply to us?	No the DDO obligations apply to retail clients.
17	Are research houses distributors when they release paper models and managed accounts	No a paper model is not a financial product so the DDO obligations do not apply, however, if it is available as a managed account then the Responsible Entity or MDA Provider will have TMD obligations
18	What do you think advisers should they be doing themselves right now; what can they rely on their licensees to do for them; and what should they expect product manufacturers to do?	Advisers should be asking their AFSL how they will access TMDs, will advice templates be adjusted and how will reporting to issuers be completed.

19	Many SMA products are "issued" by the platforms with SMA managers acting as the model investment manager. Who is responsible for the TMD in this scenario?	The issuer is responsible for the TMD and related obligations
20	Is the significant dealing across the adviser, the AFSL or the whole lot of distributors of the product?	It relates to significant dealing in the product but could arise from a single adviser or licensee for example deciding to exit all holdings for all clients in a product if the account for a substantial share of the investment in that product
21	Do you stop issuing the product just because a trigger has occurred or only stop after a subsequent review?	A trigger "triggers" a review, after which issuance might cease or continue. A TMD review can mean that you need to stop issuing a product; there are a variety of views on the exact way this works, so you will need to obtain your own advice on this.
22	Do wholesale funds that have a PDS and are available on your platform require a TMD if only distributed to wholesale or advised clients?	Distribution to wholesale clients only does not trigger the need to prepare a TMD but any distribution to a retail client does trigger the need to prepare a TMD (even if the retail client is advised). In addition, a TMD is generally required if a PDS is required.
23	What is a complaint by legal definition?	An expression of dissatisfaction
24	If the SMA is just a sector e.g. Australian equities, the risk section of TMD will be high but the client may be balanced, therefore this would be a red flag for the TMD and outside Target market?	This is dealt with under the section of the template TMD which discusses the share of a portfolio that the product might comprise.
25	If an MDA Provider utilises Individually Managed Accounts (IMAs) therefore each client having a different Investment Program will a TMD be required for every MDA agreement?	Even though each client has a unique portfolio, the MDA Provider might decide that a small group of, more generic TMDs adequately describe the target markets they serve. Also, only retail clients are caught under the DDO obligations and this type of portfolio might be predominantly wholesale.