



# Mason Stevens Limited

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## Design and Distribution Obligations Distributor Due Diligence Statement

General Use  
July 2024

## Distributors covered by questionnaire

Name of distributor	Distributor type	Distributor identifier
Mason Stevens Limited	Platform provider	351578

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## Responses to due diligence questions

	Question	RG Ref	Response
<b>Overview</b>			
1	Are you likely to engage in retail product distribution conduct in respect of the Product(s)?	29-31	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (DDQ complete)
2	What retail product distribution conduct are you likely to engage in (select all that apply)?	29	<input checked="" type="checkbox"/> Dealing <sup>1</sup> in the Product in relation to a retail consumer, including arranging dealing <input type="checkbox"/> Giving a disclosure document for the Product to a retail consumer <input type="checkbox"/> Providing a Product Disclosure Statement for the Product to a retail consumer <input checked="" type="checkbox"/> Providing general advice in relation to the Product to a retail consumer. <input type="checkbox"/> Providing personal advice in relation to the Product to a retail consumer.
3	In relation to retail consumers, do you engage in excluded conduct (that is, excluded dealing or providing personal advice <sup>2</sup> ) only?	31 157	<input type="checkbox"/> Yes (Respond to Questions 1 to 5 and 14 to 23 only) <input checked="" type="checkbox"/> No
4	Describe what processes you have in place to ensure that the distributors covered by this questionnaire have a copy of the current TMD for the Product(s)?	168	Links to each financial product's TMD, provided by the product issuer, are made available on the platform accessible to financial advisers and end investors.
<b>Compliance with distribution conditions</b>			
5	(a) Do you have processes in place to ensure that the distributors covered by this questionnaire will appropriately comply	172	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<sup>1</sup> Guidance on conduct that constitutes 'dealing' as defined by s766C of the Corporations Act as amended by s994A(1) is set out in Regulatory Guide 36 Licensing: Financial product advice and dealing (RG 36). Broadly, dealing includes (a) applying for or acquiring a financial product; (b) issuing a financial product; and (c) in relation to securities and interests in managed investment schemes—underwriting the securities or interests. Arranging for a person to engage in any of the foregoing is also dealing in a financial product, unless the actions concerned amount to providing financial product advice. These terms are relevant to all products covered by the design and distribution obligations. For further detail, see s766C.

<sup>2</sup> Provision of personal advice falls under the definition of 'excluded conduct': see s994A(1). Excluded dealings consist of arranging for a consumer to apply for or acquire a product for the purpose of implementing personal advice that the person has given to a retail client: see s994A(1). The provision of a PDS or other disclosure document in the course of providing personal advice is also generally excluded conduct.

	with the distribution conditions specified in the Product's TMD?		
	(b) Do you undertake any additional reasonable steps in relation to the distribution of Products with an extremely high risk and return target market?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(c) Are any Products available on a non-advised basis?		<input type="checkbox"/> Yes. If Products are available on a general advice basis, please describe the processes in place with respect to this distribution and describe how you determine if the retail consumer is in the target market for such Products. <input checked="" type="checkbox"/> No. All clients must be under personal advice recommendation from a financial adviser in order to be onboarded to the platform.
	(d) Do you have processes in place to ensure that any Products requiring personal advice are not made available to non-advised investors?		<input checked="" type="checkbox"/> Yes. All clients must be under personal advice recommendation from a financial adviser in order to be onboarded to the platform. <input type="checkbox"/> No
	(e) For non-advised investors are there any restrictions on the Products available to them?		<input checked="" type="checkbox"/> Yes. Products that must be distributed to advised clients are not made available to retail investors that do not have an adviser. <input type="checkbox"/> No
<b>Distribution method</b>			
<b>6</b>	Through what distribution methods will you interact with retail consumers? Select all that apply.	Table 6	<input checked="" type="checkbox"/> Online <input type="checkbox"/> Face-to-face <input type="checkbox"/> Inbound telephone sales <input type="checkbox"/> Outbound telephone sales <input checked="" type="checkbox"/> Financial adviser <input checked="" type="checkbox"/> Platform, wrap or IDPS <input type="checkbox"/> Other (specify)
<b>7</b>	Describe the steps you will take to ensure your distribution methods are likely to result in distribution of the Product(s) being consistent with the target market for the Product(s)  If you will issue your own marketing and/or promotional materials in respect of the Products, please describe the nature of the marketing and/or promotional materials and their distribution (and provide examples, if any).	Table 6	As a platform provider our end investors are retail clients who can only engage with our platform's services and access financial products on our investment menu under personal advice recommendation from a financial adviser. We rely on the personal advice given by the financial adviser to the retail consumer with respect to the Products.  We do not issue marketing or promotional materials with respect to the Products.

	For products for consumers with an extremely high risk and return profile, please describe the nature of any specific marketing and/or promotional materials (if any) used in connection with these products and their distribution (and provide examples, if any).		
<b>Effectiveness of product governance<sup>3</sup></b>			
8	Describe the product governance arrangements/internal risk controls you have in place to ensure that you have sufficient control and oversight over your distribution process, including consistency with the law and the TMD for the Product(s)?	Table 6	As mentioned in point 7, a condition of retail consumers being onboarded to our platform is that they are under personal advice from a financial adviser. The financial adviser transacts on the Products on behalf of the retail consumer through our platform.
9	Do you/will you regularly review your product governance arrangements?	Table 6	<input checked="" type="checkbox"/> Yes, annually. <input type="checkbox"/> No
<b>Inappropriate incentives</b>			
10	Have you taken steps to eliminate or manage the risk that incentives for staff or contractors may encourage behaviour that could result in consumer harm or in distribution being inconsistent with the TMD for the Product(s)?	Table 6	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Training</b>			
11	Have you given staff involved in distribution of the Products appropriate training (including in relation to the key attributes of financial products), target markets and appropriate distribution conduct) and are you confident of the staff members' ability to perform their required duties?  Have you provided any additional training for higher risk products, if applicable?	Table 6	<input checked="" type="checkbox"/> Yes. Licensees and financial advisers go through a due diligence process before they are onboarded and given access to use the platform. <input type="checkbox"/> No  <input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No. All retail consumers of the platform must be recommended under personal advice from a financial adviser. The adviser assesses whether a retail consumer is suitable for high-risk products.
<b>Assessment of whether a consumer is in the target market</b>			
12	How will you assess whether a consumer is reasonably likely to be in the target market for the Product? Answer all that apply.	Table 6	<input type="checkbox"/> Reliance on existing information <input type="checkbox"/> Questions to gather information about consumers <input type="checkbox"/> Filtering of options presented to consumers based on questions <input checked="" type="checkbox"/> Other (specify). All retail consumers of the platform must be recommended under

<sup>3</sup> See the Key Terms section of RG 274 which defines product governance as “the systems, processes, controls, procedures, audits, or other arrangements in place to ensure that, as far as reasonably practicable, issuers and distributors comply with their design and distribution obligations”.

			personal advice from a financial adviser. The adviser assesses whether a retail consumer is reasonably likely to be in the target market for the Product.
13	In distributing the Product, what data <sup>4</sup> (if any) will you collect and/or review about retail consumers?	174-188	We ensure that all retail consumers on the platform have financial adviser registered against their account.
<b>Reporting</b>			
14	Describe the processes you have in place to (a) report information about complaints to the issuer as specified in the TMD, (b) report dealings outside the TMD to the issuer (when an issuer has required this in a TMD), (c) report significant dealings outside the TMD to the issuer as specified in the TMD, and (d) other information (if any) specified by the issuer in the TMD.	211-219	All complaints received from consumers are managed in accordance with our internal complaints handling policy. Any complaints received with respect to the Products are raised with the Product and Compliance teams to inform the product issuer via email. Dealings outside of the TMD and significant dealings outside the TMD may be reported to the platform by financial advisers or identified internally through our processes. These are promptly reported to the product issuer via email.
15	What criteria have you set to determine if a significant dealing has occurred?	214	<input checked="" type="checkbox"/> Use guidance in TMD (if any) <input checked="" type="checkbox"/> Use guidance provided by third party (e.g. FSC) <input type="checkbox"/> Other – please specify.
16	What reporting method will you use to provide reports of complaints, significant dealings and other information (if any) to the issuer? Note if product TMDs require particular approach(es) these should be followed.	216	<input type="checkbox"/> Website form used by product issuer <input checked="" type="checkbox"/> Email <input type="checkbox"/> Third party system – please specify <input type="checkbox"/> Other – please specify.
<b>Sub-distributors<sup>5</sup></b>			
17	Do you distribute the Product(s) via third party or related sub-distributors?		<input checked="" type="checkbox"/> Yes (advised clients only) <input type="checkbox"/> Yes (other) <input type="checkbox"/> No – skip to question 21
18	If the answer to Question 17 is Yes, specify the sub-distributors, if practicable.		Licensees (dealer groups) and financial advisers.
19	If the answer to Question 17 is Yes, describe the processes you have in place to select, supervise, monitor or test those sub-distributors?		Licensees and financial advisers go through a due diligence process before they are onboarded and given access to use the platform.

<sup>4</sup> Note that RG274 states that “in some cases, the reasonable steps obligation will require a distributor to collect or review data about consumers. This is not for the purpose of providing individualised advice, but rather to enable the distributor to assess whether a consumer, or group of consumers, is reasonably likely to be in the target market: see RG 274.174–RG 274.188”.

<sup>5</sup> A sub-distributor would include any third party, related body corporate or authorised representative that has entered into a written agreement with you to distribute the Products.

20	If the answer to Question 17 is Yes, have you, or will you, ask your sub-distributors to complete this DDQ?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Resources</b>			
21	Do you have resources to ensure that you can comply with your product governance arrangements relating to DDO?	Table 4	<input checked="" type="checkbox"/> Yes. Team of 3 staff to address all product governance arrangements relating to DDO. We also rely on Morningstar TMD data feed as part of our monitoring process. <input type="checkbox"/> No
<b>Past conduct and experience</b>			
22	Do you have experience distributing similar financial products as the Product(s)? If no, provide information to support your capabilities and expertise to distribute the Product(s)?	Table 4	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
23	Have you within the past 12 months (a) reported any reportable situations to ASIC that directly relate to your DDO obligations in respect of the Product(s) or (b) been subject to any disciplinary action in relation to your compliance with DDO obligations?	Table 4	<input type="checkbox"/> Yes (specify). <input checked="" type="checkbox"/> No

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