NEW REQUIREMENTS FOR COLLECTIVE INVESTMENT SCHEME ADVERTISING, MARKETING AND INFORMATION DISCLOSURE

Category: Commercial Law,Media and OTT,Privacy Law, Infosec, and POPIA
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The Registrar of Collective Investment Schemes, on 8 August 2014, published a notice setting out new advertising, marketing and information disclosure requirements ("**the notice**"). The notice also sets out the manner in which managers of collective investment schemes must lodge advertising and marketing material with the Registrar.

The notice aims to achieve the following:

- Provide a legal framework within which managers may advertise and market their products to ensure that investors base their investment decisions on full accurate and comprehensive information;
- Protect investors from deceptive, misleading, unfair or fraudulent conduct by managers through advertising and marketing material;
- Promote fair treatment of investors;
- Encourage fair competition amongst managers;
- Promote the use of plain and understandable language; ensure alignment with relevant international information disclosure standards and practice;
- Encourage investor understanding of the key features of collective investment schemes through suitable disclosures; and
- Determine the manner in which managers must lodge advertising and marketing material.

The notice applies to marketing, advertising and information disclosure by managers of all collective investment schemes registered or approved under the Collective Investment Schemes Control Act, 45 of 2002.

Although the notice only becomes effective on 1 March 2015, managers, their regulatory and compliance advisors and the advertising agencies should begin a process of assessing advertisements, marketing material, minimum disclosure documents and application forms, to ensure that they comply with the notice's requirements.

This will avoid a last minute rush to do so, and will also avoid the unnecessary expense of producing non-compliant materials in the next few months, only to have to discard them when the notice becomes effective.