

CIRCULAR

Date:	26 December 2023	Ref No.:	ID/UTMC&PRSP/FMS/JW-TQ/010-23
To:	UTMC and PRS Providers		
Attn:	Authorised Representative/Chief Executive Officer		

Survey on Suitability Assessment Form incorporating Behavioural Finance

(i). We would like to invite your participation in a survey that will enable FIMM to collect the industry's opinion of **Dr Joanne Yong**, CEO and Principal Economist & Behavioural Scientist of Research for Impact Pte Ltd (RFI) report on "Review and Revision of Guidance on the Suitability Assessment Form".

(ii). Background

FIMM has embarked in this project due to findings from FIMM 2022 Consultant Survey specifically on the Suitability Assessment Form (SAF). Over 50% of the respondents (1,038 Consultants) have collectively stated that the SAF in understanding Investors' Behaviour is **insufficient**. Consequently, FIMM have organised the **Thought Leadership Programme on Behavioural Insights Series Webinar** for the purpose of **continuous education for the Consultants** last August 2023 together with an extensive review of the SAF together with Dr Joanne.

The exercise of collecting investors' background, risk profile, financial objective and other information is a crucial process performed by UTS/PRS Consultant as a need to gather information in order for the Consultant to provide the right advice and recommendation.

(iii). Objectives

- a) **Gauge Industry Perception:** We seek your insights as to how you perceive the proposed revisions and recommendations outlined in the report.
- b) **Assess Feasibility and Implementation:** We would also like your perspectives on the practicality and feasibility of implementing the recommended changes. Your input on potential challenges and opportunities in incorporating these revisions will guide the development of guidelines for seamless adoption.
- c) **Encourage Collective Opinions:** This survey serves as a collaborative platform to voice your opinions on the SAF.

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- (iv). Before you begin the survey, we encourage you to read the attached report to gain a comprehensive understanding of the Subject Matter Expert's opinion.
- (v). Please submit your responses via the online form [<https://survey.alchemer.com/s3/7659147/Suitability-Assessment-Report-Survey>] by **26 January 2024** and if you have any queries, please do contact Industry Development Department at ID@fimm.com.my for assistance.

Thank you.

Yours faithfully

A handwritten signature in cursive script that reads "Joyce Wee". The signature is written in black ink and is positioned above the printed name and title.

JOYCE WEE

Senior Manager, Industry Development

Survey Questions

a. Overall Impression

1. What is your overall impression of the suitability assessment form review and the provided recommendations?

2. Do you agree with the stated objectives of the review, and do you find them aligned with industry needs?

- Yes
- No

Please state your reason

b. Introduction Reframing

1. What are your thoughts on the suggested reframing of the introduction statement to enhance clarity for potentially new or less sophisticated investors?

2. Are you agreeable to the proposed changes in explaining the objectives of the suitability assessment in layman terms?

- Yes
- No

Please state your reason

c. Language and Expression

1. Do you agree with the suggestion to simplify language and make questions and instructions easier to understand?

- Yes
- No

Please state your reason

2. How do you feel about the proposed revisions to question wording and the recommendation to use closed-end questions where possible?

3. Would you require additional clarification on how to enhance proofreading processes to identify and address typographical errors in the form?

- Yes
- No

Please state your reason

d. Structure

1. What is your opinion on the recommendations regarding clearer signposting and direction to reduce confusion, especially in stating the purpose of each section?

2. How do you handle the possible confusion that may arise when the form alternates perspectives between the investor and the consultant, and what is your evaluation of the effectiveness of the suggested solution?

3. Do you agree with the suggestion to remove any duplication in questions, specifically investor details?

- Yes
- No

Please state your reason

e. Visual Presentation

1. Are you agreeable to the proposed changes on the spacing of the form for a less cluttered and more visually appealing presentation?

- Yes
- No

Please state your reason

2. Do you think it is importance to introduce more white space for improved readability, especially for new investors?

- Yes
- No

Please state your reason

f. Scoring, Upfront Exclusion, and Verification

1. What is your stance on incorporating risk scoring or explicit profiling in the suitability assessment form, as suggested in the report?

2. Do you see value in upfront exclusion for risky products, and how might this impact the overall efficiency of the suitability assessment process?

- Yes
- No

Please state your reason

3. How feasible do you find the proposal to embed explicit prompts for verification in the form?

g. Overall Implementation Process

1. Do you plan to address the suggestions regarding the implementation of the suitability assessment form, such as consolidating multiple forms and providing optimal guidance around time allocation?

- Yes
- No

Please state your reason

2. Do you agree with the idea of standardised assessment processes across financial service providers?

- Yes
- No

Please state your reason

h. Call to Action

1. What are your thoughts on the proposed next steps for revising the guidance form, comparative testing, and developing accompanying guideline principles?

2. Do you foresee any challenges in the suggested process?

- Yes
- No

Please state your reason

i. General Comments and Additional Feedback

1. Are there any additional comments or feedback you would like to provide on the findings and recommendations outlined in the report?

2. Do you have any alternative suggestions or considerations that have not been addressed in the report?