

Supervisor Role in Advertisements

- > There is not a requirement to seek review and approval of advertisements from your supervisor.
- > However, as a trusted advisor to its Supervised Entities, we can share insights, and thoughts on approach based on our experience of dealing with other clients' advertisement as well as dealing with the FMA.
- > Public Trust taking a risk-based approach, focuses on the controls and processes Supervised Entities have in place around advertisements and their ongoing review of these.
- > This includes understanding distribution channels and advertising methods.
- > This enables understanding of the Supervised Entity's approach to advertising, internal process this follows and who is involved in this.

Controls and Processes

Focus on Controls and Processes

- > Supervised Entities should have documented process and policies around Disclosure and Advertising practices.
- > Processes should be robust, but also reflective of the risk of the advertisement. Processes should be tailored to the size of the organisation and the nature of the product offered.
- > Should ensure relevant teams and SMEs are involved in the review and sign off process.
- > Good practice is to have a checklist outlining the personnel involved in the sign off process and the areas that they are signing off on.
- > Supervised Entities should maintain a register of advertising, this should be reviewed at least annually.

Key Considerations

1. Policies, sign off process and who is involved in the sign off
2. The overall impression test - how is this assessment made?
3. Who is the target audience? Targeting content and approach depending on the target audience.
4. Is the advertisement consistent with other disclosure material (where applicable)?
5. Is an opinion represented as a fact?
6. Statements made on behalf of a company
7. Can you substantiate all the statements made?
8. Is there a focus on one aspect of the offer (that is favourable) at the expense of the other material information?