

# Time to jump start the asset management industry

*Michael Ferrer, Managing Director, ATR Asset Management, tells Hubbis about the obstacles that are slowing down the Philippines' asset management industry.*

**G**ROWTH IN THE PHILIPPINES' ASSET MANAGEMENT industry has been very slow thanks to a variety of factors, including a strict initiation process for investors, according to Ferrer.



MICHAEL FERRER  
ATR Asset Management

“The crux of the issue is that it’s still challenging for people to cross over, open an account, and invest their funds,” he explains.

The Philippines follows the best international practices in dealing with client onboarding and risk profiling, he says, but these practices are incredibly cumbersome for the average investor who has maybe USD100-USD200 dollars a month to invest.

“The requirements are so stringent that it becomes too much of an effort to invest in funds, mutual funds, unit trusts,” he explains. To truly accelerate growth in the local asset management industry, Ferrer opines that a digital approach is sorely needed.

“For a country like ours, seven islands with the population spread all over the place, therein lies an opportunity to increase the investor base if you can offer a purely digital experience from the time they open an account to the time they invest in a fund.”

Ferrer says that thankfully, the regulators have made technology as a cornerstone of their policy. On the topic of regulation, though, Ferrer laments inconsistencies between regulators and how they think about funds.

“We deal with several regulators, who try to compete with one another, where if one regulator comes up with new rules that are in a way better, then you know it won’t be long for one or the other regulator to try to adjust theirs as well,” he explains. “It does create some inequalities and arbitrage opportunities, which you want to avoid, but until such a time where we have a harmonised regulatory environment, these things will be part and parcel of the playing field here.”

According to Ferrer, the Congress of Philippines has just passed a bill called the Collective Investment Schemes Law, which attempts to harmonise three different types of fund formats. “That’s only one step in the long process, but at least it’s the first step. ■