SPTF Social Investor Working Group
Minutes – *July 29, 2020*

The Smart Campaign announced on July 28 that it is closing after more than a decade of work to advance client protection issues in the financial inclusion sector. SPTF and CERISE will take over much of Smart's implementation work. Given the importance of investors in advancing responsible and inclusive finance, the Social Investor Working Group held a call to discuss the implications of Smart's closing and gather feedback from investors on what they want to see in future client protection products.

Transition of Smart's work to SPTF and CERISE
- SPTF and CERSE are committed to preserving and advancing the Client Protections Standards. These are already fully aligned with the Universal Standards and the SPI Online (the recently launched digital version of the SPI4). Going forward, SPTF will steward the evolution of these Client Protection Standards.
- SPTF will house Smart's resources – including templates, case studies, and tools – in the SPTF Resource Center. In the coming months, SPTF and CERISE plan to unveil a new, joint Resource Center that will offer a better user experience to make it easier to find the resources that you need.
- SPTF will also welcome Smart's community of experts – trainers and assessors – to join its TA Database. Going forward, SPTF and CERISE plan to create one unified network for all SPM community of experts to access resources and share lessons learned.
- Client Protection Certification in its current form will be ending. There will be no new certification missions after the end of the year. For an international certification scheme to be successful, an independent accreditation body must set the certification standards, and then accredit, audit, and oversee a cadre of certification bodies to carry out certification missions. Neither SPTF nor CERISE is structured as an accreditation body and do not plan to take on this role.
- Raters have said they are committed to providing client protection evaluation products and are excited to have the opportunity to bring more flexible options to the market.
- SPTF and CERISE intend to continue beta testing Smart's digital credit standards guidance to eventually integrate into the Universal Standards and the SPI Online.
- Read additional FAQs on the transition here.

Investor discussion on future client protection products
- Investors emphasized the need for harmonization and alignment among future products. If rating agencies develop different client protection products, it's important that they be harmonized and comparable.
- They also emphasized the importance of having a standalone client protection assessment (as opposed to only having client protection integrated into a social performance assessment). It's important to have an entry point of "do no harm" for all organizations, even if they don't have a social mission.
- Investors value the external verification involved with the current certification process and with external Smart assessments. This provides a shortcut for them in due diligence. (One investor said it relies on it for their due diligence.)
- Grading would be preferable to a system of pass/fail, as the latter provides a barrier to some financial service providers (FSPs).
- It's important to investors to see FSPs be transparent about and work toward improving client protection issues. External client protection assessments or ratings could serve that purpose.
- Investors emphasized the need for a product to provide a clear, simple message about the state of an FSP's client protection practices. That was an aspect of certification they valued.
- A few investors said that if an FSP endorses the Client Protection Principles, it should publish a self-assessment on its website to better communicate its commitment.

Visit SIWG's webpage to find minutes from past meetings and details for upcoming calls. Email Katie Hoffmann at katiehoffmann@sptfnetwork.org with any questions.