Credo to offer new partner model for wealth managers

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Credo is launching a outsourced platform proposition for wealth managers that will provide a suite of back office functions.

The new 'Partner' model will provide trading capabilities, custody and reporting services along with access to its range of model portfolios, which the firm launched last July.

Aimed at wealth managers wishing to launch their own legal entity, Credo said they benefit from the firm's FCA authorisation with its compliance team taking full responsibility for monitoring the activities of the entity.

'We have seen a growing demand from individuals who want to start running their wealth management business but don't want to have to run a regulated firm,' Charles van der Merwe, managing director of the firm's wealth outsourcing solutions division told *Wealth Manager*.

'It is tough to start of a partnership business because the regulation is so complex and vast, but we will effectively be providing that regulatory umbrella. We have the expertise and the technology to monitor those clients efficiently.'

The model's platform fees will range between 15 basis points (bps) and 25bps, on top of which Credo will take a percentage of the financial intermediary's gross revenue to compensate for the compliance risk, Van der Merwe (*pictured*) said.

In the Autumn Statement, the government announced it would press ahead with a review of the taxation of partnership structures where corporate entities are set up to act as additional partners, and are generally taxed at lower rates than individuals.

At the time, the decision to review the taxation of the structures was likened to 'using a sledgehammer to crack a nut' by industry professionals, such as Dominic Johnson, deputy chairman of New City Initiative and CEO and founding partner of partnership Somerset Capital Management.