Three clusters were selected for this issue because each of the three reflect the primary themes that were discussed in the consultation. The first two clusters were largely robust across the different configurations, though there are some non-trivial differences in size. Cluster 1 deals primarily with balancing the idea that investors need to be protected at a certain minimum standard with the competing notion that protection should only be guaranteed where necessary and, according to some documents, spread the risk around. There’s also an emphasis on ensuring that those firms that do not hold client assets should be excluded. Cluster 2 turns on a few arguments. On the one hand, there is the recognition that compensation should not be provided for standard losses associated with normal investment risk (avoiding moral hazard as well); this is as opposed to losses on behalf of the consumer due to an entity that is unable to pay them. In addition, there is discussion about the scope of the compensation scheme, primarily honing in on the idea that the legislation should be limited to *retail* investors—there is also debate as to whether third parties should be obligated to fall under the act. Cluster 3 has many similarities to Cluster 2, though there is a greater emphasis on whether or not entities such as the Multinational Trading Facilities (MTFs) should be included, with some arguing that their role in the investment process should place them squarely under the legislation while others argue that they should be kept out.

1: Necessity of compensation and the scope and depth of risk across interested parties, exclusion of entities not holding client assets.

2: Limiting (or not) the compensation scheme to *retail* investors and avoiding compensation for any normal loss associated with the expected investment risk.

3: Debate surrounding the extension of the compensation scheme to third-party entities that are not directly affiliated with the investors, including Multinational Trading Facilities.