

**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, NO. 37 OF 2002**

## **CONFLICT OF INTEREST MANAGEMENT POLICY ("COIMP")**

**FSP NAME: Wealthpoint Capital (Pty) Ltd**

**FSP NO: 49430**

**LAST REVIEW DATE: 28 January 2020**

## 1. INTRODUCTION

This COIMP aims to give effect to the requirements of BN 58 of 2010.

## 2. DEFINITIONS

The terms in this policy are as defined in BN 58 of 2010, read together with the Financial Advisory and Intermediary Services Act, 2002, and regulations thereto, as amended from time to time:

**“conflict of: Interest”** (“COI”) means any situation in which a provider or representative has an actual or potential interest that may, in rendering a financial service to a client, –

- influence the objective exercise of his, her or its obligations to a client,
- prevent a provider or representative from rendering an unbiased and fair financial service, or from acting in the interests of a client.

This interest includes, but is not limited to – a financial interest, an ownership interest, or any relationship with a third party;

**“financial interest”** means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than

- an ownership interest;
- training, that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products, general financial and industry information, specialized technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation, associated with that training;

**“immaterial financial interest”** means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by

- a provider who is a sole proprietor; or
- a representative for that representative's direct benefit; or
- a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives;

**“ownership interest”** means any equity or proprietary interest for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person. Including: any dividend, profit share or other benefit derived from that equity or ownership interest;

**“associate”** includes

- a natural person (spouse, life partner or civil union partner, a child (incl. step or adopted, born out of wedlock), a parent or stepparent and person legally responsible for that person;

- juristic persons
  - if a company, all subsidiaries, holding companies and group subsidiaries;
  - if a close corporation, any member thereof; and
  - other juristic persons and group holding companies or group subsidiaries;
- persons directing or instructing any type of juristic person; and
- trusts controlled or administered, by the person;

“**third party**” includes: product suppliers, another provider, associates of product suppliers and providers and distribution channels.

### 3. POLICY

3.1. It is our policy that, we or our representatives may only receive or offer the following financial interest from or to a third party:

3.1.1. commission authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998).

3.1.2. fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998), if those fees are reasonably commensurate to a service being rendered;

3.1.3. fees for the rendering of a financial service in respect of which commission or fees referred to in above is not paid, if those fees –

3.1.3.1. are specifically agreed to by a client in writing; and

3.1.3.2. may be stopped at the discretion of that client;

3.1.4. fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;

3.1.5. subject to any other law, an immaterial financial interest; and

3.1.6. a financial interest, not referred to above, for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

3.2. We (or any associate) may not pay or receive any financial interest or have an ownership interest or have a relationship with a third party which would constitute a COI as defined above.

3.3. We and our representatives must avoid (or mitigate where avoidance is not possible) any COI between us and a client or our representatives and the client.

3.4. Non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person or third party to us or any representative or by any of us would be viewed as a COI. Receipt or payment of any such consideration is in breach of our policy.

3.5. We may not pay incentives to representatives which constitute a COI.

3.6. Undue preference may not be given to certain product suppliers or products created by product suppliers.

3.7. We (or a third party) may not offer any financial interest to a representative (or us) for giving preference to the quantity of business secured for us to the exclusion of the quality of the service rendered to clients, or giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client, or giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.

3.8. The receipt of Immaterial financial interests as defined is deemed to be a conflict of interest and therefore unacceptable.

(OR)

Alternative clause to the above clause: Immaterial financial interests may be accepted provided it is approved by us and recorded in a gift and entertainment register which is monitored by the compliance officer regularly.

3.9. We or any representative may not avoid, limit or circumvent (or attempt to) compliance with the above through an associate or an arrangement involving an associate.

## **4. PROCESSES**

4.1. Each representative is responsible for assessing all financial interests paid or received as well as any other interests and identifying any COI.

4.2. In addition, we (management) will assess all financial interests paid or received by us as a provider and/or representative and identify any COI. Any financial or other interest which constitutes a potential or actual COI, will not be allowed and must be avoided, where possible.

4.3. All employees must disclose to us, in writing, all financial interests paid or received as well as any ownership interests. All financial (excluding immaterial financial interests) and ownership interests must be recorded in this COIMP.

4.4. At the earliest reasonable opportunity, the provider/representative must, in writing-disclose to the client any COI in respect of that client, including

4.4.1. the existence of any personal interest in the relevant service; or

4.4.2. of any circumstance which gives rise to an actual or potential COI in relation to the service; and the provider must take all reasonable steps to ensure fair treatment of the client;

- 4.4.3. measures taken to avoid or mitigate the COI;
- 4.4.4. reasons for not being able to avoid the COI;
- 4.4.5. any ownership interest or financial interest;
- 4.4.6. the nature of the relationship or arrangements with a third party that gives rise to a COI in clear, concise and sufficient detail;
- 4.4.7. inform the client of the COIMP and how it may be accessed.

4.5. We will ensure that our employees, representatives and, where appropriate, associates are aware of the contents of this COIMP and will provide for appropriate training and educational material in this regard.

4.6. We will continuously monitor compliance with this COIMP and annually conduct a review of the COIMP. A person responsible for administering this COIMP will be formally designated.

4.7. This COIMP will form part of our risk management plan as well as of the compliance function.

4.8. We will publish this COIMP in appropriate media e.g. our website and ensure that it is easily accessible for public inspection at all reasonable times.

**5. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY US AS PROVIDER, EMPLOYEES AND REPRESENTATIVES**

In the event of non-compliance with this policy, in addition to any civil or criminal consequences, employees will be subject to disciplinary action.

**6. RESOLUTION**

This COIMP was formally adopted at a meeting of the Executive Directors.

Held at \_\_\_ Illovo \_\_\_ on \_ 28 January 2020 \_\_\_.



SJ Stapylton-Smith  
Executive Director



AM Turk  
Executive Director