

FINANCIAL REVELATION CC

FSP NUMBER: 51551

**CONFLICT OF INTEREST MANAGEMENT
POLICY**

Document Control

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1. DEFINITIONS

1.1 Associate(s) means

(a) in relation to a natural person:

- (i) a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
- (ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
- (iii) a parent or stepparent of that person;
- (iv) a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person; or
- (v) a person who is a spouse, life partner or civil union partner of a person referred to above and any person who is in a commercial partnership with that person.

(b) in relation to a juristic person:

- (i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
- (ii) which is a close corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act; or
- (iii) which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
 - (aa) had such first-mentioned juristic person been a company, or
 - (bb) in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other person been a company,

(c) any person in accordance with whose directions or instructions the board of director of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.

(d) in relation to any person:

- (i) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph; and
- (ii) includes any trust controlled or administered by that person.

1.2 Conflict of Interest means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client:

- (a) influence the objective performance of his, her or its obligations to that client; or
- (b) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client,

including but not limited to:

- (i) a financial interest;
- (ii) an ownership interest; or
- (iii) any relationship with a Third Party.

1.3 Distribution Channel means

- (a) any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client.
- (b) any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier.
- (c) any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

1.4 FAIS Act means the Financial Advisory and Intermediary Services Act 37 of 2002

1.5 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:

- (a) an ownership interest;
- (b) training, that is not exclusively available to a selected group of providers or representatives, on:
 - (i) products and legal matters relating to those products;
 - (ii) general financial and industry information;
 - (iii) specialised technological systems of a Third Party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training; or
 - (iv) a recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

- 1.6 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) a provider who is a sole proprietor; or
 - (b) a representative for that representative's direct benefit; or
 - (c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.
- 1.7 New entrant** means a person who has never been authorised as a financial services provider or appointed as a representative by any financial services provider.
- 1.8 Sign-on bonus** means
- (a) any Financial Interest offered or received directly or indirectly, upfront or deferred, and with or without conditions as an incentive to become a provider; and
 - (b) a Financial Interest referred to in paragraph (a) includes but is not limited to:
 - (i) compensation for the-
 - (aa) potential or actual loss of any benefit including any form of income, or part thereof; or
 - (bb) cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services; or
 - (ii) a loan, advance, credit facility, or any other similar arrangement.
- 1.9 Ownership Interest** means
- (a) 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, and
 - (b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
- 1.10 Third Party** means
- (a) a financial product supplier;
 - (b) another provider;
 - (c) an associate of a financial product supplier or a provider;
 - (d) a Distribution Channel; or
 - (e) any person who in terms of an agreement or arrangement with a person referred to in (a) to (d) provides a Financial Interest to a provider or its representatives.

2. POLICY PURPOSE

Financial Revelation must adopt, maintain and implement a Conflict of Interest Management Policy (the Policy which complies with the provisions of the FAIS Act). In terms of the General Code of Conduct Financial for FSP's and Representatives issued in terms of the FAIS Act, representatives must avoid, and where this is not possible, mitigate any Conflict of Interest between it and a client, or a representative of Financial Revelation and his, her or its clients.

Financial Revelation and its representatives are committed towards acting in the best interests of its clients and to avoid all Conflicts of Interests in relation to the provision of financial services. Where a Conflict of Interest unavoidable, all necessary precautions to ensure that any actual or potential conflicts is mitigated and adequately disclosed to clients.

To ensure the continued demonstration of Financial Revelation's commitment, the Executive Director adopted the Policy to provide for the effective management of any actual, perceived or potential Conflicts of Interest that may arise wholly or partially, in relation to the provision of financial services.

The purpose of the Policy is to:

- establish internal controls and mechanisms towards the identification of Conflicts of Interest;
- establish measures to avoid Conflicts of Interest, and where avoidance is not possible, to provide the reasons therefore;
- establish measures to ensure that any unavoidable conflicts of interest are mitigated;
- establish measures to ensure the proper disclosure of any Conflicts of Interest;
- establish processes, procedures and internal controls to facilitate compliance with the policy; and
- communicate the consequences of non-compliance with the policy.

Financial Revelation is currently too small to warrant a board of management and related governance substructures. The Executive Director will ultimately be responsible for ensuring that effective and appropriate measures are implemented to manage any Conflict of Interests.

3. POLICY SCOPE

This Policy applies to Financial Revelation and its representatives when an actual, perceived or potential Conflict of Interest exists when rendering financial services to clients. The following applies to Financial Revelation's representatives with regards to Financial Interest:

3.1 Financial Revelation may not offer any Financial Interest to its representatives for:

- 3.1.1 giving preference to the quantity of business secured for Financial Revelation to the exclusion of the quality of the financial services rendered to clients; and
- 3.1.2 giving preference to a specific financial product or product supplier, where a representative may recommend more than one financial product or supplier to a client.

- 3.2 Financial Revelation and its representatives may only receive from a Third Party, the following financial interest:
- 3.2.1 commission authorised under the Long-Term Insurance Act 1998 (Act No. 52 of 1998) or the Short-Term Insurance Act 1998 (Act No. 131 of 1998);
 - 3.2.2 commission authorised under the Medical Schemes Act 1998 (Act No. 131 of 1998);
 - 3.2.3 fees authorised under the Long-Term Insurance Act 1998 (Act No. 52 of 1998), the Short-Term Insurance Act, 1998 (Act No 131 of 1998) or the Medical Schemes Act 1998 (Act No 131 of 1998), if those fees are reasonably commensurate to a service being rendered;
 - 3.2.4 fees for the rendering of a financial service in respect of which commission or fees referred to in subparagraphs 3.2.1 to 3.2.3 is not paid, if those fees:
 - are specifically agreed to by a client in writing;
 - may be stopped by the client at any time; and
 - is reasonable commensurate with the level and complexity of the services rendered to the client.
 - 3.2.5 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. Any such relationship must be disclosed if the Third Party also provides services to a client of Financial Revelation;
 - 3.2.6 subject to any other law, an immaterial financial interest; and
 - 3.2.7 a financial interest, not referred to under subparagraphs 3.2.1 to 3.2.4, for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by another provider or representative at the time of receipt thereof.
- 3.3 Financial Revelation may not offer or provide a sign-on bonus to any person, other than a New Entrant, as an incentive for that person to become a representative and render financial services as defined in the FAIS Act on its behalf.

4. IDENTIFYING A CONFLICT OF INTEREST

4.1 Individual Identification

The primary responsibility for the identification of a Conflict of Interest resides with the representatives and employees of Financial Revelation. Throughout the process of rendering a financial service to a client, a representative must apply his or her mind to answering the following questions:

- is there any situation that exists that influences the objective performance of my obligations to my client?
- is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client?
- is there any situation that exists that prevents me from acting in the best interest of my client?

If the answer to all three questions is “**No**”, then there is no Conflict of Interest associated with the financial service and the representative may proceed.

If the answer to any one of the three questions is “**Yes**”, the representative must proceed to answer the following additional questions:

- is the situation caused as a result of an actual, perceived or potential relationship with a Third Party?
- is the situation caused by an actual, perceived or potential financial or Ownership Interest?

If the answer to any one of these questions is “**Yes**”, an actual, perceived or potential Conflict of Interest exist.

4.2 Internal Controls to Identify

Financial Revelation has implemented the following internal controls to identify actual, perceived or potential Conflicts of Interest that may arise:

- The Executive Director with the assistance of the Licensed Compliance Officer, conducts annual reviews on all contracts held with Third Parties and all relationships where an Ownership Interest exists between Financial Revelation and a Third Party. The purpose of the review is to assess whether the relationship in any way influences Financial Revelation’s:
 - objective performance towards its clients;
 - ability to render fair, unbiased and sustainable financial services towards its clients; and
 - ability to act in the best interest of the client.
- Conflict of Interest declarations are signed by all relevant personnel annually. The purpose of collecting Conflict of Interest declarations is to assist Financial Revelation and the Licensed Compliance Officer to identify actual, perceived or potential Conflicts of Interest.
- A list of the FSP’s associates is attached as an annexure hereto. The list will be reviewed annually.
- A list of all Third Parties in which Financial Revelation holds an Ownership Interest is attached as an annexure hereto. The list will be reviewed annually.
- A list of all Third Parties that holds an Ownership Interest in Financial Revelation is attached as an annexure hereto. The list will be reviewed annually.
- All gifts received from a Third Party with an estimated value of R1 000 or more must be recorded in Financial Revelation’s Gift Register. The Gift Register is kept by the Executive Director.
- All relevant personnel (Key Individuals and Representatives) are required to immediately disclose in writing to the Executive Director and the Licensed Compliance Officer, any actual, perceived or potential Conflicts of Interest as soon as they become aware of such situation

5. AVOIDING AND MITIGATING A CONFLICT OF INTEREST

Once an actual, perceived or potential Conflict of Interest has been identified, the following procedures will be followed to determine whether the Conflict of Interest is avoidable:

- The Executive Director will convene a meeting with the Licensed Compliance Officer and the person that identified the Conflict of Interest to evaluate whether it is a Conflict of interest.
- All information that led up to and resulting in, or causing the actual, perceived or potential Conflict of Interest shall be disclosed to the Executive Director and the Licensed Compliance Officer.
- The Executive Director will consider and determine whether Financial Revelation is able to avoid the actual, perceived or potential Conflict of Interest.
- During the evaluation process, the Executive Director will consider the following possible outcomes prior to a finding in favour of unavailability:
 - The possible negative impact it will have on the clients where the actual, perceived or potential Conflict of Interest is deemed to be unavoidable.
 - The possible negative impact it will have on the integrity of the financial services industry where the actual, perceived or potential Conflict of Interest is deemed to be unavoidable.
- Where the Executive Director has determined that the actual, perceived or potential Conflict of Interest is in fact avoidable, the following processes will be followed:
 - Remove the underlying cause or situation that resulted in the actual, perceived or potential Conflict of Interest as soon as reasonably possible.
 - Any immediate negative impact or prejudice towards clients pending the removal of the actual, perceived or potential Conflict of Interest must be kept to a minimum.
 - The reasons why the actual, perceived or potential Conflict of Interest was determined to be avoidable will be recorded in the Conflict of Interest Register.
 - Similar circumstances that have led up to the actual, perceived or potential Conflict of Interest will be avoided in the future.
- Where the Executive Director has determined that the actual, perceived or potential Conflict of Interest is unavoidable, the following processes will be followed:
 - Determine the measures that will be implemented to mitigate the actual, perceived or potential Conflict of Interest as far as reasonably possible.
 - The reasons why the actual, perceived or potential Conflict of Interest was considered to be unavoidable will be recorded in the Conflict of Interest Register.

- Any measures implemented towards mitigating the actual, perceived or potential Conflicts of Interest will include the following arrangements:
 - The status of whether the actual, perceived or potential Conflicts of Interest's is still deemed to be unavoidable shall be reassessed on a continuous basis.
 - Where a previously deemed unavoidable actual, perceived or potential Conflicts of Interest is subsequently deemed to be avoidable, such actual, perceived or potential Conflict of Interest shall immediately be avoided.
 - All representatives will be notified of any actual, perceived or potential Conflicts of Interest as well as the reasons for its unavoidability.
 - When rendering a financial service, a representative shall be required to disclose to the client in writing, where relevant, that an actual, perceived or potential Conflict of Interest exist.
 - The Executive Director and/or the Licensed Compliance Officer shall report on the status of the actual, perceived or potential Conflict of Interest in the annual compliance report to be submitted to the Financial Sector Conduct Authority (FSCA).

6. DISCLOSURE OF CONFLICTS OF INTEREST

It is acknowledged that while disclosure alone will often not be enough, disclosure must be treated as an integral part of managing Conflicts of Interest. Financial Revelation is therefore committed to ensure that clients are fully informed about actual, perceived or potential Conflicts of Interest in relation to the provision of financial services.

Financial Revelation will disclose to a client any Conflict of Interest in respect of that client. The disclosure shall be made in writing at the earliest reasonable opportunity and include the following:

- the nature of any relationship or arrangement with a Third Party that gives rise to the Conflict of Interest.
- sufficient detail to enable the client to understand the exact nature of the relationship or arrangement and the Conflict of Interest and the measures taken to avoid or mitigate the conflict,
- The disclosure shall include any Ownership Interest or financial interest, other than an Immaterial Financial Interest, that Financial Revelation or representative may be or become eligible to receive or entitled to.
- The disclosure shall include a reference to the Policy and how it may be accessed.

7. COMPLIANCE MEASURES

The measures implemented towards ensuring Financial Revelation's continued compliance with this Policy rests with management. Financial Revelation will implement appropriate and reasonable measures to ensure that all employees, representatives and associates comply with this Policy. Any such measures will be reviewed at least annually for continued appropriateness.

8. CONSEQUENCES OF NON-COMPLIANCE

Where there is reason to believe that an employee or representative has failed to disclose an actual, perceived or potential Conflict of Interest via the proper communication channels, the Licensed Compliance Officer will investigate and the Executive Director may take any appropriate steps it deems necessary to limit any financial prejudice that may be suffered by it, its clients or any other Third Party.

Where an investigation concludes that an employee or representative has indeed failed to disclose an actual, perceived or potential conflict of interest, the Executive Director shall immediately take appropriate disciplinary steps and corrective actions against such employee or representative. Any failure by an employee to comply with this Policy will be considered serious form of misconduct.

9. POLICY AVAILABILITY

This Policy is available to Financial Revelation's representatives, employees and clients from the Licensed Compliance Officer or the Executive Director at admin@finrev.co.za.

10. AWARENESS

All representatives, employees and associates must be made aware of the existence and availability of this Policy.

11. TRAINING

All Financial Revelation's employees and representatives will be required to attend a training session on the Policy.

12. MONITORING

The Licensed Compliance Officer will be responsible for monitoring compliance with this Policy and report thereon.

13. POLICY REVIEW

This Policy will be reviewed at least annually or whenever there is a change to the FAIS Act which triggers a review.

14. REPORTING

The Licensed Compliance Officer is responsible to report on this Policy as required by the FSCA from time to time. The report must refer to the implementation, monitoring and compliance with and the accessibility of this Policy.

15. ANNEXURE A: LIST OF ASSOCIATES

In terms of Section 3A(2)(b)(iii) of the General Code of Conduct, a Conflict of Interest Management Policy must include a list of all the FSP's associates.

Please refer back to the definition of an "Associate" and list all the FSP's associates, as well as the nature of the Associate relationship:

No Associates

16. ANNEXURE B: OWNERSHIP INTERESTS HELD BY THE FSP

In terms of Section 3A(2)(b)(v) of the General Code of Conduct, a Conflict of Interest Management Policy must include the names of any third parties in which the provider holds an Ownership Interest.

None

17. ANNEXURE C: OWNERSHIP INTEREST HELD IN THE FSP

In terms of Section 3A(2)(b)(vii) of the General Code of Conduct, a Conflict of Interest Management Policy must include the names of any third parties that holds an Ownership Interest in the provider.

None

18. ANNEXURE D: TYPE OF FINANCIAL INTEREST & ENTITLEMENT THERETO

Financial Revelation will offer a representative and the basis on which a representative will be entitled to such a financial interest.

Form of Financial Interest Section 3A(1)(a)(i) – (vii)	Basis for entitlement to Financial Interest	Compliance with Sections 3A(1)(b) and 3A(1)(bA) of the FAIS Act
Commission authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Short-term Insurance Act, 1998 (Act No. 53 of 1998).		
Commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998).		
Fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998).		
Fees for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if ▪ The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representatives in exchange for the fees are specifically agreed to by a client in writing; and ▪ Those fees may be stopped at the discretion of that client.		

Fees or remuneration for the rendering of a service to a Third Party.		
Subject to any other law, an immaterial financial interest.		
A financial interest, not referred to in the column 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.		

19. Contact Information

For any questions or concerns regarding this Policy, contact:

Designated Key Individual

Email Address: admin@finrev.co.za

Company website: www.finrev.co.za

The revised 2024 Policy has been approved and is effective from 1 July 2024.