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FSP NUMBER 51997

FACHS FINANCIAL SERVICES

CONFLICT OF INTEREST MANAGEMENT POLICY

This Policy was developed, adopted and signed by the following Senior Managers at FACHS Financial Services:

Name	Designation	Signature
Farai Christopher Zimbango	Managing director	
Sositina Gurajena	Manager: Operations & Broking	



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AIM OF THE POLICY

This policy is a direct response to the requirements of the General Code of Conduct where all FSPs must have a policy in place for managing conflict of interest (COI). Besides legal compliance, it is an acceptable governance principle that COI must be managed or avoided where necessary. Thus, this policy seeks to provide guidelines for COI management by all employees of FACHS Financial Services at all levels in the organization.

COI DEFINITION

It is any situation where an individual is not unbiased. Shortly it means that a person is now not objective because they have a personal interest in the transaction or matter at hand. Refer to Appendix 1 for relationships that may result in COI.

FINANCIAL INTEREST

FACHS Financial Services and its employees may only receive or offer the following financial interests:

1. Commission and fees specified in terms of either the Long Term Insurance Act, Long Term Insurance Act or the Medical Schemes Act.
2. Fees for rendering of financial services
 - The fees must be agreed to by the client in writing;
 - May be stopped at the discretion of the client;
 - Fees or remuneration for the rendering of services to a third party, must be reasonably commensurate to service being rendered
3. Any financial interest which in rand value does not exceed R1 000 over a calendar year period and
 - Which is paid by the same third party, during that year and;
 - Which is received by a representative for his/her direct benefit, or
 - Aggregated for all FACHS Financial Services representatives.

FACHS Financial Services will not offer the following incentives that:

- Promote quantity at the expense of quality;
- Giving preference to one product where more than one product can be sold and
- Giving preference to one product supplier where more than one product supplier can be used

MECHANISMS FOR THE IDENTIFICATION OF CONFLICTS OF INTEREST

Whenever an employee or FACHS Financial Services is faced with the following situations, then there is an element of COI:

- Whenever they have to deal with an associate defined as follows:

Associate Definition

In relation to a natural person, means:

- a. Spouse, life partner or civil union partner of that person;
- b. A child of that person, including a stepchild, adopted child and a child born out of wedlock;
- c. A parent or stepparent of that person;
- d. Legal guardian;
- e. A person who is the spouse, life partner or civil union partner of a person referred above in b, c and d
- f. A person who is in a commercial partnership with that person;

In relation to a juristic person means:

- a. Subsidiary or holding company ;
- b. Member of a close corporation;
- c. Means any person in accordance with whose directions or instructions the board of directors of or,
- d. The governing body of such juristic person is accustomed to act;

In relation to any person means:

- a. Means any juristic person of which the board of directors or,
- b. Of which the governing body is accustomed to act in accordance with the directions or instructions of the person
- c. Includes any trust controlled or administered by that person.

- A transaction where a personal interest exist
- A transaction in which an employee of FACHS Financial Services will gain financially
- Any other circumstance where FACHS Financial Services or its employees are not able to objective.

MEASURES FOR AVOIDING AND MITIGATING COI

In avoiding and mitigating COI, the following actions must be used if there is COI:

- a. Employees must not serve associates and must refer associates to other independent employees;
- b. In case of a transaction where a personal interest exists, the employee must ask to be excused;
- c. For a transaction in which an employee of FACHS Financial Services will gain financially, they must disclose it and their line manager will determine whether to exclude them from the transaction or not;

- d. For any other circumstance where FACHS Financial Services or its employees are not able to objective, the employees must disclose and consult with their line manager and
- e. Where an employee is unsure, they must consult their line manager who should consult their manager or the board if they are also not clear on the appropriate action.

MEASURES FOR THE DISCLOSURE OF CONFLICTS OF INTEREST

Conflict of interest will be disclosed in the following manner:

- Disclosure document to clients
- Script for call centre (when operational)
- The COI Management Policy
- Internal COI declaration document
- Gift register where all gifts received by employees and FACHS Financial Services will be recorded

PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY

To promote compliance with this policy, the following will be done:

- Induction training to include training on the COI policy
- Regular compliance training to incorporate the COI policy as well
- Each branch manager must once in a while include discussions on the policy in their regular meetings
- Compliance monitoring and visits
- Audits (internal and external)

CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY EMPLOYEES

Depending on the magnitude of non-compliance and in line with internal disciplinary procedures and code of conduct, a violation of the COI policy may result in:

- Warning from branch manager;
- Disciplinary hearing;
- Dismissal if it is warrantied; and

- Debarment.

TYPE OF AND THE BASIS FOR REPRESENTATIVES WILL QUALIFY FOR A FINANCIAL INTEREST

Employees and representatives will qualify for financial interest under any of the circumstances listed below:

- Commission based on the quality and quantity of business generated;
 - Fees for financial services rendered;
 - Performance bonuses based on quality and quantity of business; and
 - Team competitions and national monthly competitions to boost productivity.
- Eligibility for the bonuses will be based on quality and quantity of business submitted.

A LIST OF ALL ITS ASSOCIATES

None

THE NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLD AN OWNERSHIP INTEREST

None

TRAINING AND EDUCATION ON THE POLICY

Training will take the form of:

- Induction training on the policy
- Compliance training
- Ad hoc training
- Annual updates on the policy
- RE Training

PUBLICATION

A copy of this policy will be available on our website for access by both internal staff and all other stakeholders.

ADOPTION AND REVIEW

This policy has been adopted by the board of management and will be reviewed annually.