



CONFLICT OF INTEREST MANAGEMENT POLICY

This Policy is owned by

IUA BUSINESS SOLUTIONS (PTY) LTD

a duly authorised Financial Services Provider Licence Number 15737

(hereinafter referred to as IUA)





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1. Introduction

The cornerstone of this policy is based on the requirements set out in the Financial Advisory and Intermediary Services (FAIS) General Code of Conduct, which imposes a duty on a Provider and a Representative to avoid or mitigate any situation in which a conflict of interest exists or may arise and to declare any such conflict of interest. The FAIS General Code of Conduct also requires every Provider to adopt, maintain and implement a Conflict of Interest Management Policy.

IUA recognises the importance of operating in an open and transparent fashion in all aspects of the business. This includes relationships with third parties that provide IUA with financial interest as part of the delivery of the financial service. IUA undertakes to make every effort to ensure that IUA acts in the best interest of clients and in no way allows IUA's own interest, to influence the objective performance and delivery of unbiased and fair financial services to clients.

2. Definitions

“Associate” 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,
 - (v) a person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv),
 - (vi) a 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, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act,
 - (iii) which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person–

- had such first-mentioned juristic person been a company, or
 - in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company,
- (iv) means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act,
- (c) 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,
 - (ii) includes any trust controlled or administered by that person.

“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 best interests of that client,

including, but not limited to –

- (i) a financial interest;
- (ii) an ownership interest;
- (iii) 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 –

- (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;
- (c) a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.

“Immaterial Financial Interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 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;
- (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.

“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.

“Representative” means any person, including a person employed or mandated by such first mentioned person, who renders a financial service to a client for or on behalf of a financial services provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service:

- (a) does not require judgment on the part of the latter person, or
- (b) does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.

“Third Party” means –

- (a) a product supplier;
- (b) another provider;
- (c) an associate of a product supplier or a provider;
- (d) a distribution channel;
- (e) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

3. Policy Application

This policy applies to all directors and employees, including permanent, temporary and contract employees of IUA. This policy is further applicable to any representative of IUA who is mandated to provide financial services as defined in the FAIS Act and any key individual who has been approved by the regulator to manage and oversee compliance of IUA with the requirements of the FAIS Act.

4. Management of Conflict of Interest

4.1 Duty to avoid and/or mitigate a Conflict of Interest

IUA and its representatives must avoid and/or mitigate any conflict of interest between IUA, its representatives and/or a client.

4.2 What is a Conflict of Interest?

A FAIS conflict of interest is any situation in which IUA or a representative has an actual or potential interest which, when providing intermediary services to a client, influences his/her objectivity and prevents IUA or the representative from providing a fair and unbiased financial service to a client or from acting in the interest of a client.

4.3 Financial Interest

The following financial interest is allowed in respect of FSP's who are not part of the same legal entity:

- (a) fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) and the Short-term Insurance Act, 1998 (Act No. 53 of 1998);
- (b) fees or remuneration for the rendering of a service to a third party;
- (c) subject to any other law, an immaterial financial interest.

IUA's representatives are not authorised to provide advice as defined in the FAIS Act to clients and may therefore not receive any commission or incentives relating to sales or advice.

The following financial interest is not allowed:

- (a) Gifts received from third parties exceeding a value of R1 000.00 per calendar year per third party.

IUA's representatives may receive gifts from third parties not exceeding a value of R1 000.00 per calendar year per third party.

IUA may offer the following financial interest to third parties:

- (a) fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably in line with the service being rendered; and
- (b) gifts to third parties not exceeding a value of R1 000.00 per calendar year.

4.4 Internal procedures to identify and assess a Conflict of Interest

IUA has implemented the following process to identify and assess if a Conflict of Interest exists:

- (i) Individual declares a financial interest or relationship with a third party in accordance with this policy. This is recorded in IUA's Conflict of Interest Register and IUA's Gift Register.
- (ii) IUA Legal and Compliance Manager will assess if the financial interest or relationship is regarded as a FAIS Conflict of Interest.
- (iii) IUA Legal and Compliance Manager will escalate to IUA's Compliance Officer where necessary.
- (iv) If found to be a FAIS Conflict of Interest, declaration will be made to the third party.

Every IUA employee is required to complete a Conflict of Interest declaration at onboarding and thereafter annually. IUA's Conflict of Interest and IUA's Gift Register is reviewed quarterly by IUA's Compliance Officer as part of the compliance monitoring program.

4.5 Duty to disclose Conflict of Interest

Once it has been established that a Conflict of Interest does exist, IUA will disclose the actual or potential Conflict of Interest to the third party in writing at the earliest reasonable opportunity. IUA's disclosures will include:

- (i) the existence of the Conflict of Interest;
- (ii) a description of what the conflict is;
- (iii) the impact of the Conflict of Interest;
- (iv) the measures taken to mitigate and manage the conflict;
- (v) how to obtain IUA's Conflict of Interest Management Policy.

5. Training

Training on the Conflict of Interest Management Policy is provided at onboarding to all new employees, to ensure that they understand their responsibilities under this policy.

This policy is published on IUA's company intranet and website and is readily available to all employees, clients and other interested parties.

6. Consequences of non-compliance

Failure to comply with the provisions of this policy by any IUA employee or representative shall constitute serious misconduct and will result in disciplinary action being initiated against such employee or representative.

7. Governance Requirements

Policy Review Frequency

This policy will be reviewed when there is a material change to the business of IUA or when there is a change in legislation but will be reviewed at least annually.

Policy Revision History

Version	Date	Nature of Revision
1.0	2013	New Policy
1.1	2017	Review and update
2.0	2023	Review and update

Policy Ownership and Approval

Owner	Designation
Nicky Mottram	Legal and Compliance Manager
Approved By	Date
IUA Executive Committee	12 April 2023