



HEWETT WEALTH (PTY) LTD
FSP 46645

Title	Conflict of Interest Management Policy and Procedures
Version	10022016
Approval	Board Meeting – 4 April 2016
Effective Date:	4 April 2016
Revised Date:	Not applicable

Conflict of Interest Management Policy and Procedures

Scope

The General Code of Conduct for Authorised Financial Services Providers and Representatives (“The Code”) issued under the Financial Advisory and Intermediary Services Act, 2000 (Act 37 of 2002) (“FAIS”), requires financial service providers to have a Conflict of Interest Management Policy to ensure that conflicts of interest are managed appropriately within the business.

This notion concerns Hewett Wealth, all individuals working for Hewett Wealth (employees, associates, service providers, etc.), and the Hewett Wealth businesses (major shareholders, companies controlled by the Group, etc.).

Purpose

This purpose of this policy is to assist Hewett Wealth and related individuals to identify potential and actual conflicts of interest and manage it appropriately.

It describes the procedures to be followed to ensure that conflict of interest situations do not cause Hewett Wealth to act in contravention of the FAIS Act and General Code of Conduct which requires that a provider must at all times render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

Background

A conflict of interest situation arise when a staff member(s) experience a situation in which their own interest or the interests of Hewett Wealth, or one of its associates in the exercise of its activities, are directly or indirectly in competition with, or may significantly prejudice a client’s interests.

Such a situation may, in the rendering of a financial service to a client,

- a. influence an individual in 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 interests of that client.

A conflicting interest may include, but are not limited to

- a real or perceived financial gain resulting from recommendations to clients that may prejudice the client
- an outcome of service delivery or transaction that may not best serve the interests of the client
- non-cash incentives that may be received by the Company as a result of effecting any predetermined transaction and/ or product
- effecting a transaction and/ or product that may benefit a party other than the client

Conflicts of interest may be recognised (actually identified) or be potential or perceived (conceivable) and most often arise because of an actual or possible financial interest.

Policy

Hewett Wealth is committed to avoiding and where this is not possible mitigating any conflict of interest that may arise between ourselves, as a financial services provider, and our clients when rendering a financial service.

Where such a conflict of interest cannot be avoided the situation will be explained to the effected client(s).

Allowable financial interests

The following allowable financial interests have to be disclosed to clients in writing before any transaction takes place:

- Fees as provided for in any applicable legislation, if these fees are reasonably commensurate to the service being offered.
- Fees for rendering a financial service which are not provided for in any legislation or regulations, provided the client has specifically agreed to fees in writing and has a discretion to stop them at any time.

The following allowable financial interests have to be disclosed internally in the company's gift register:

- Promotional items (with a value of no more than R1000.00 per FAIS representative / key individual in any given year)
- Any other financial interest with a determinable monetary value not exceeding R1000.00 per FAIS representative / key individual in any given year

The following allowable financial interests have to be disclosed internally in the company's conflicts of register and to affected clients:

- Ownership interest
- Directorships

The following allowable financial interests have to be disclosed internally in the company's training register:

- Training that is not restricted to a selected group of providers and FAIS representatives on products and legalities thereof; general financial and industry information; specialised technological systems (of a third party) necessary for rendering a financial service.

Disallowed financial interests

The following financial interests are disallowed:

- Financial interest to a representative or to the provider for giving preference to a quantity of business to the exclusion of quality to the client, preference to a specific product supplier or preference to a specific product.
- Cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship and any other incentive or valuable consideration not mentioned above, including travel and accommodation associated with allowed training.
- Any financial interest other than allowable financial interests listed above with a determinable monetary value exceeding R1000.00 per FAIS representative / key individual in any given year.
- Training restricted to a selected group of providers and FAIS representatives on products and legalities thereof; general financial and industry information; specialised technological systems (of a third party) necessary for rendering a financial service.

Procedure

Measures for avoidance or mitigation of conflicts of interest and control measures

Reporting and record keeping

- i. Both a Gifts Register for allowable financial interests (Annexure A) and a Conflicts of Interest Register for Ownership interests, Directorships and Disallowed financial interests (Annexure B) have been implemented.
- ii. The Company's Managing Director will act as the custodian of both the Conflicts of Interest register and the Gifts register.
- iii. Each Representative has a duty to report any such an immaterial financial interest provided or received to the custodian of the Gifts Register (within a week of giving / receiving such a gift) who shall report to the Managing Director of the Company as soon as the aggregate financial interest given or received by any one representative from that product provider or third party reaches R1 000.00 in that particular year.

Key Individual Authorisation

- i. A financial interest with a monetary value of between R1000.01 and R10 000.00 constitutes a material conflict, and will prior to giving, or the acceptance of the financial interest, require the written consent of the Managing Director of Hewett Wealth and must be recorded in the relevant Conflict of Interest register.
- ii. In exercising his discretion the Managing Director must consider:
 - this conflict of interest policy and the requirements for updating the conflicts of interest register;
 - any applicable legislation which may be breached by the receipt of such a gift or entertainment;
 - a written statement from the giver explaining the reason for and purpose of the entertainment or gift
 - the extent of the conflict;
 - the estimated direct financial impact that a particular situation or activity would have on the Company;
 - the effect that the financial interest is likely to have on the client;

Annual Key Individual and Representative disclosure

- i. All the Key Individuals and Representatives will be required to also complete the 'Conflicts of Interest Questionnaire' as provided for in Annexure C of this policy.
- ii. The conflict of interest register will be updated and reviewed by the Key Individual(s).
- iii. If it has been established that a particular situation or activity gives rise to a conflict of interest, such a situation must be avoided.
- iv. If such a conflict of interest is inevitable it is the responsibility of the Managing Director to ensure that the effect if the conflict is mitigated by disclosing the conflict of interest to the relevant client(s).

Further reporting of conflicts of interest

All activities that resulted in conflict of interest situations must be reported to the company's compliance officer on a bi-annual basis.

Consequences of non-adherence

Violation of this Policy and procedures described herein will result in disciplinary action.

Training and awareness

A copy of the policy will be provided to each staff member and representative, and updated versions will be circulated.

All the Company's staff will be trained on this policy and related procedures.

Clients will be made aware of the existence of this policy.

Review

This policy shall be reviewed annually and any changes to this policy shall be communicated to all staff.

Annexures

Annexure A1 Gifts Register: Gifts Received

Annexure A2 Gifts Register: Gifts Given

Annexure B Conflicts of Interest Register

Annexure C Conflicts of Interest Questionnaire

ANNEXURE A1: GIFTS REGISTER: GIFTS RECEIVED

(For all immaterial financial interests)

GIFT REGISTER – PERIOD ENDING _____ : GIFTS GIVEN				
Date	Value of the gift	Name of gift recipient	Company Name (and FSP no. if applicable) giving this gift	Describe gift and reason for being given

Annexure A2: GIFTS REGISTER: GIFTS GIVEN

(For all immaterial financial interests)

GIFT REGISTER – PERIOD ENDING _____ : GIFTS GIVEN				
Date	Value of the gift	Name of gift recipient and Company (incl. FSP no. if applicable)	Name of employee giving the gift	Describe gift and reason for being given

ANNEXURE B: CONFLICTS OF INTEREST REGISTER

CONFLICTS OF INTEREST REGISTER					
Date captured	Nature of the Conflict	Will this conflict be avoided / mitigated	What measures will be taken to Avoid / mitigate this conflict What impact will this conflict have on clients	What impact will this conflict have on clients	Has the Managing Director approved this conflict?

ANNEXURE C: CONFLICTS OF INTEREST QUESTIONNAIRE

Annual Conflicts of Interest questionnaire to be completed by all Key Individuals and Representatives

Please respond to the following questions to the best of your knowledge:

1. Please list all corporations, partnerships, associations or other organizations of which you are an officer, director, trustee, partner, or employee, and describe your affiliation with such entity.

2. In terms of the FAIS Code of Conduct you must disclose to the client the existence of any personal interest in a relevant service, or of any circumstances which gives rise to annual or potential conflict of interest in relation to such service, and take all reasonable steps to ensure the fair treatment of the client. Please list any such conflicts- or potential conflicts of interest which you are aware of or which you perceive may possibly exist.

3. Non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person to the provider could be viewed as a potential conflict of interest. Please list any such incentives received by yourself, your family members and or family entities during the last 12 months (can include incentive trips, sponsorships, gifts that amount to material benefits, business services, entertainment expenses, access of preferential, differentiated service/training/advice facilities, shareholdings, sales quota obligations, product biases etc.)

4. Please list all corporations, partnerships, or other entities in which you have a material financial interest (shareholding of 25% or more).

5. Are you aware of any other relationships, arrangements, transactions, or matters which could create a conflict of interest or the appearance of conflict? If so, please describe

I have read the Conflicts of Interest Policy and accordingly hereby confirm that I currently comply with and agree to remain in compliance with the Policy.

Signed at _____ on this ____ day of _____ 20____.

Signature: _____

Name: _____