
Conflict of Interest Policy

FSP Name: Worldwide Advisory Services (Pty) Ltd

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Worldwide
Advisory Services

Definitions:

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 obligation to the 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;
 - (iii) Any relationship with a third party.

Fair value has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 61 of 1973.

Financial interest means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, 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.

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.

Ownership interest means:-

- (a) Any equity or propriety interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a propriety 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.

Third party means a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel, and any other person who in terms of an agreement provides a financial interest to a provider or its representatives.

Introduction

Worldwide Advisory Services (Pty) Ltd (hereafter referred to as, “the FSP”) is committed to complying with the regulatory requirements governing Conflict of Interest under the FAIS General Code of Conduct (GCoC) and ensuring that conflicts of interest are appropriately managed in the best interests of our policyholders. The GCoC contains various provisions which are indicative of the relevance of a conflict of interest and fair treatment of clients.

General duty of provider – Section 2:

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.

Specific duties of provider – Section 3:

3(1)(b) When a provider renders a financial service the provider and representative must avoid and where this is not possible mitigate, any conflict of interest between the provider and a client or the representative and a client.

3(1)(c) When a provider renders a financial service a provider or representative must, in writing, at the earliest reasonable opportunity:

- (i) Disclose to a client any conflict of interest in respect of that client, including-
 - (aa) the measures taken, in accordance with the conflict of interest management policy of the provider to avoid or mitigate the conflict;
 - (bb) any ownership interest or financial interest, other than an immaterial financial interest, that the provider or representative may be or become eligible for;
 - (cc) the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to a client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest; and
- (ii) Inform a client of the conflict of interest management policy and how it may be accessed.

3(1)(d) When a provider renders a financial service the service must be rendered in accordance with the contractual relationship and reasonable requests or instructions of the client, which

must be executed as soon as reasonably possible and with due regard to the interests of the client which must be accorded appropriate priority over any interests of the provider.

3(1)(e) When a provider renders a financial service, transactions of a client must be accurately accounted for.

3(1)(f) When a provider renders a financial service the provider involved must not deal in any financial product for own benefit, account or interest where the dealing is based upon advance knowledge of pending transactions for or with clients, or on any non-public information the disclosure of which would be expected to affect the prices of such product.

Information on product suppliers – Section 4:

4(1)(d) A provider other than a direct marketer must at the earliest reasonable opportunity, and only where appropriate, furnish the client with full particulars of the following information about the relevant product supplier and, where such information is provided orally, must confirm such information within 30 days in writing: Where applicable, the fact that the provider:-

- (i) Directly or indirectly holds more than 10% of the relevant product supplier's shares, or has any equivalent substantial financial interest in the product supplier;
- (ii) During the preceding 12-month period received more than 30% of total remuneration, including commission, from the product supplier,

and the provider must convey any changes thereafter in regards to such information at the earliest opportunity to the client.

Information about financial service – Section 7:

7(1)(c)(vi) Subject to the provisions of the GCoC, a provider other than a direct marketer, must at the earliest reasonable opportunity, provide, where applicable, full and appropriate information of the nature, extent and frequency of any incentive, remuneration, consideration, commission, fee or brokerages ('valuable consideration'), which will or may become payable to the provider, directly or indirectly, by any product supplier or any person other than the client, or for which the provider may become eligible, as a result of rendering of the financial service, as well as the identity of the product supplier or other person providing or offering the valuable consideration: Provided that where the maximum amount or rate of such valuable consideration is prescribed by any law, the provider may elect to disclose either the actual amount applicable or such prescribed maximum amount or rate.

Financial Services Provider's objectives

The FSP is an authorised financial services provider. Any FSP is potentially exposed to a conflict of interest in relation to various activities. However, the protection of their client's interests is the FSP's primary concern as stated in our policy:

- The FSP will identify circumstances which may give rise to an actual or potential conflict of interest entailing a material risk of damage to its clients' interests; and
- The FSP has established appropriate structures and systems to manage this conflict; and
- The FSP will maintain systems to prevent damage to its clients' interests through identified conflict.

Conflict of interest

The FSP strives towards ensuring it can appropriately and effectively identify and manage potential conflict. Wherever potential conflict of interest is identified, the FSP will ensure that appropriate communication regarding the following aspects is included in the disclosure information and documentation provided to a prospective customer purchasing products:-

- The existence of the conflict of interest;
- A description of what the conflict is;
- The measures taken to mitigate and manage it; and
- The customer's free choice whether s/he wishes to continue with purchasing the product.

In determining whether there is or may be a conflict of interest to which the policy applies, the FSP will consider whether there is a material risk of damage to the client, considering whether the FSP or an employee thereof:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interest of another client or group of clients over the client's interests;
- Receives or shall receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods, or services, other than the standard commission or fee for that service.

Our policy defines a possible conflict of interest as:

- A conflict of interest between the FSP and the client;

- A conflict of interest between the FSP's clients, if they are acting for different clients, and the different interest's conflict materially;
- Holding confidential information on clients which, if disclosed or utilized, would affect the advice or services provided to clients.

What the FSP may give and receive

The FSP will only receive a financial interest(s) from providers in the form of:-

- (i) Commission authorised under the Long-term Insurance Act (LTIA), 52 of 1998, or the Short-term Insurance Act (STIA), 53 of 1998;
- (ii) Commission authorised under the Medical Schemes Act (MSA), 131 of 1998;
- (iii) Fees authorised under the LTIA, the STIA or the MSA, if those fees are reasonably commensurate to a service being rendered;
- (iv) Fees for rendering of a financial service in respect of which commission or fees referred to in subparagraphs (i), (ii) or (iii) is not paid, if those fees:
 - (aa) are specifically agreed to by the client in writing; and
 - (bb) may be stopped at the discretion of that client;
- (v) 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;
- (vi) Subject to any other law, an immaterial financial interest; and
- (vii) A financial interest, not referred to under subparagraphs (i) to (vi), 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.

Remuneration policy

In terms of the FSP's remuneration policy, a portion of the premiums paid by clients is retained and covers the running costs of the company. The FSP could potentially receive more than 30% from one product provider. However, if this is the case same will be communicated to prospective clients in the disclosure document and reflected in the conflict of interest policy on our website (www.wwas.co.za), which will be updated as and when changes arise.

Management

The measures that the FSP has adopted to manage identified conflict is summarized below. The FSP considers them appropriate to ensure that reasonable care is taken, in relation to each identified potential conflict of interest, and to act impartially to avoid a material risk of harming clients' interests.

Procedures:

Appropriate procedures have been adopted throughout the FSP's business to manage a potential conflict of interests. Training for all staff is provided by the FSP's Key Individual to ensure that all representatives and employees understand their responsibilities under this policy.

The external compliance officer will monitor compliance with this conflict of interest management policy and will perform the necessary reviews to ensure that appropriate procedures and processes are in place and effective to comply with the policy. Furthermore, the external compliance officer will facilitate a review of this policy annually to ensure that it remains relevant and appropriate to meet the statutory requirements.

Confidentiality barriers:

The FSP's representatives and employees respect the confidentiality of client information and disclose or use it with the utmost respect and caution. No such information may be disclosed to a third party without the written consent of a client.

Inducements:

Inducements from third parties in relation to services provided to clients are acceptable to the FSP only if they are appropriately disclosed to clients and if it is either the payment of a normal fee or commission to continue quality services to clients and would not impair the FSP's duty to act in the best interest of clients.

Gifts:

The FSP's employees will not accept any gifts. Excessive gifts from clients may result in a conflict of interest, which the FSP is committed to avoiding.

Disclosure:

Where there is no other way of managing a conflict or where the measures in place do not sufficiently protect client's interests, the conflict will be disclosed to allow clients to make an informed decision on whether to continue using the FSP's services in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients.

Declining to act:

