

2024

CONFLICT OF INTEREST MANAGEMENT POLICY



BESPOKE

FINANCIAL SERVICES
Authorised Financial Services Provider FSP No: 5398

011 646 2286

PO Box 414164, Craighall, 2024

info@bespoke-fs.co.za

167 Barry Hertzog Avenue, Emmarentia, Johannesburg, South Africa, 2195 www.bespoke-fs.co.za

Bespoke Financial Services (Pty) Ltd | 2024/144649/07

Authorised Financial Services Provider FSP No. 5398

Directors: Kim Frost | Stearn Frost | Gary Alge | Sia Chimbanda

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, NO. 37 OF 2002

CONFLICT OF INTEREST MANAGEMENT POLICY (“COIMP”)

1. INTRODUCTION

This Conflict of Interest Management Policy (COIMP) aims to give effect to the requirements of BN 58 of 2010.

2. DEFINITIONS

The terms in this policy are as defined in BN 58 of 2010, read together with the Financial Advisory and Intermediary Services Act, 2002, and regulations thereto, as amended from time to time:

2.1 “**Conflict of Interest**” (“COI”) means any situation in which a provider or representative has an actual or potential **interest** that may, in rendering a financial service to a client:

- influence the objective exercise of his, her or its obligations to a client,
- prevent a provider or representative from rendering an unbiased and fair financial service, or from acting in the best interests of a client.

This **interest** includes, but is not limited to – a financial interest, an ownership interest, or any relationship with a third party.

2.2 “**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

- an ownership interest;
- training, that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products, general financial and industry information, specialized technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation, associated with that training.

2.3 “**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 provider who is a sole proprietor; or
- a representative for that representative's direct benefit; or
- a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

2.4 “**Ownership interest**” means 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, including: any dividend, profit share or other benefit derived from that equity or ownership interest.



2.5 “Associate” includes

- *a natural person* (spouse, life partner or civil union partner, a child (incl. step or adopted, born out of wedlock), a parent or stepparent and person legally responsible for that person;
- *juristic persons i.e.:*
 - if a company, all subsidiaries, holding companies and group subsidiaries;
 - if a close corporation, any member thereof; and
 - other juristic persons and group holding companies or group subsidiaries.
- persons directing or instructing any type of juristic person; and
- trusts controlled or administered, by the person.

2.6 “Third party” includes: product suppliers, another provider, associates of product suppliers and providers and distribution channels.

3. POLICY

3.1 It is Bespoke Financial Services’ policy that we or our representatives may only receive or offer the following financial interest from or to a third party:

- 3.1.1. 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);
- 3.1.2. Commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998);
- 3.1.3. Fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998), the Short-term Insurance Act, 1998 (Act No. 53 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998), if those fees are reasonably commensurate to a service being rendered;
- 3.1.4. Fees for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if those fees –
 - 3.1.4.1. are specifically agreed to by a client in writing; and
 - 3.1.4.2. may be stopped at the discretion of that client;
- 3.1.5. 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;
- 3.1.6. Subject to any other law, an immaterial financial interest; and
- 3.1.7. A financial interest, not referred to 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.

3.2. Bespoke (or any associate) may not pay or receive any financial interest or have an ownership interest or have a relationship with a third party which would constitute a Conflict of Interest (COI) as defined above.

3.3. Bespoke and its representatives must avoid (or mitigate where avoidance is not possible) any COI between it and a client or its representatives and the client.

3.4. Non-cash incentives offered and / or other indirect consideration payable by another provider, a product supplier or any other person or third party to Bespoke or any representative or by any of us would be viewed as a COI. Receipt or payment of any such consideration is in breach of our policy.



- 3.5. Bespoke may not pay incentives to representatives which constitute a COI.
- 3.6. Undue preference may not be given to certain product suppliers or products created by product suppliers.
- 3.7. Bespoke (or a third party) may not offer any financial interest to a representative (or us) for giving preference to the quantity of business secured for us to the exclusion of the quality of the service rendered to clients, or giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client, or giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.
- 3.8. Immaterial financial interests may be accepted provided it is approved by us and recorded in a gift and entertainment register which is monitored by the compliance officer regularly.
- 3.9. We or any representative may not avoid, limit or circumvent (or attempt to) compliance with the above through an associate or an arrangement involving an associate.

4. PROCESSES

- 4.1 Each representative is responsible for assessing all financial interests paid or received as well as any other interests and identifying any COI.
- 4.2 In addition, the Directors/Key Individuals will assess all financial interests paid to or received by Bespoke as a provider and/or representatives and identify any COI. Any financial or other interest which constitutes a potential or actual COI will not be allowed and must be avoided where possible.
- 4.3 All employees must disclose to a Key Individual, in writing, all financial interests paid or received as well as any ownership interests. All financial (excluding immaterial financial interests) and ownership interests must be recorded in this COIMP.
- 4.4 At the earliest reasonable opportunity, the provider/representative must, in writing, disclose to the client any COI in respect of that client, including
 - 4.4.1 the existence of any personal interest in the relevant service; or
 - 4.4.2 any circumstance which gives rise to an actual or potential COI in relation to the service; and the provider must take all reasonable steps to ensure fair treatment of the client;
 - 4.4.3 measures taken to avoid or mitigate the COI;
 - 4.4.4 reasons for not being able to avoid the COI;
 - 4.4.5 any ownership interest or financial interest;
 - 4.4.6 the nature of the relationship or arrangements with a third party that gives rise to a COI in clear, concise and sufficient detail;
 - 4.4.7 inform the client of the COIMP and how it may be accessed.
- 4.5 We will ensure that our employees, representatives and, where appropriate, associates, are aware of the contents of this COIMP and will provide for appropriate training and educational material in this regard.
- 4.6 We will continuously monitor compliance with this COIMP and annually conduct a review of the COIMP. Any person responsible for administering this COIMP will be formally designated.



- 4.7 This COIMP will form part of our risk management plan as well as of the compliance function.
- 4.8 We will publish this COIMP in appropriate media, for e.g. our web-site and ensure that it is easily accessible for public inspection at all reasonable times.

5. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY US AS PROVIDER, EMPLOYEES AND REPRESENTATIVES

In the event of non-compliance with this policy, in addition to any civil or criminal consequences, employees will be subject to disciplinary action.

6. RESOLUTION

This COIMP was formally adopted at a meeting of Bespoke Financial Services held at Johannesburg on 19th April 2011.



Annexure A – Disclosure Form

Bespoke Financial Services FSP5398

Disclosure of Conflicts of Interest

Purpose

The purpose of this disclosure form is to provide a record of any conflict or potential conflict of interest which may arise between an employee and Bespoke Financial Services and to provide a written record of the decisions relating to the disclosure, including whether the disclosure is declined, approved, or conditionally approved. The document will also record the reason why any activity or interest that might constitute a conflict or potential conflict of interest has been declined or approved.

Disclosure

Please provide details of any conflict of interest where private interest or personal considerations (including affiliations and instances of nepotism as defined in the policy) affects, may affect, or be perceived to affect your judgment in acting in the best interest of Bespoke. Please attach any relevant documents to this disclosure form.

Certification

I have read and understood the Bespoke Policy on Conflicts of Interest and have disclosed all material facts and circumstances regarding any conflict of interest.

I understand that if I have misrepresented the extent of any conflict of interest, continue with the activity of interest where it has been declined or breach any conditions that have been imposed where conditional approval has been granted, that such action would constitute misconduct that may result in disciplinary action being taken against me which may result in my dismissal.



I will comply with any conditions or restrictions imposed by Bespoke Financial Services. I understand further that I have a right of review in respect of any activity that has been declined or conditionally approved, and that Bespoke will be liable for any costs or expenses incurred by me in respect of this activity pending finalization of any review.

Should there be any material changes to the facts and circumstances relating to any approval or conditional approval, I undertake to notify Bespoke Financial Services within 30 days by submitting revised documents via the prescribed channels.

Employee signature: _____

Printed Name: _____

Decision:

- Approved
- Conditional Approval
- Declined

Comments: _____

Conditions: _____

Signature Printed name Date



Annexure B – Letter Regards Potential Conflict of Interest

[date]

Client Name
Address 1
Address 2

Dear [Client's Name],

Re: Notification of Potential Conflict of Interest

I hope this letter finds you well. At Bespoke Financial Services, maintaining the highest standards of integrity, transparency, and professionalism in our client relationships is of utmost importance to us.

I am writing to inform you of a potential conflict of interest that has come to our attention regarding the services we provide to you. The situation in question is as follows:

[Briefly describe the potential conflict of interest, including the nature of the conflict and the parties involved.]

We understand the importance of addressing this matter with the seriousness it deserves. To ensure that your interests remain our top priority, we have implemented the following measures:

1. **Disclosure:** We are fully disclosing the details of the potential conflict to you, as outlined above, to maintain transparency and allow you to make an informed decision.
2. **Segregation of Duties:** We have taken steps to segregate the roles and responsibilities of the parties involved to mitigate any influence or bias in our services to you.
3. **Independent Review:** An independent review will be conducted by a senior member of our team who is not involved in the potential conflict. This review will ensure that our advice and decisions remain impartial and in your best interests.
4. **Client Consent:** We seek your consent to proceed with our services under the current circumstances. Should you have any concerns or wish to discuss alternative arrangements, we are more than willing to accommodate your preferences.

We value the trust you have placed in Bespoke Financial Services and are committed to maintaining that trust by acting with integrity and transparency. If you have any questions or require further clarification, please do not hesitate to contact me directly at 011 646-2286 or kim@bespoke-fs.co.za.

Thank you for your understanding and continued partnership.

Yours sincerely,

KIM FROST

Director

Certified Financial Planner®

Appendices – Documents to be Provided or Completed

Appendix 1

Specify the type of and the basis on which a representative will qualify for a financial interest that the provider will offer a representative, and motivate how that financial interest complies with the provisions of this COIMP.

- None at this stage.

Appendix 2

List of financial interests paid by provider to third parties.

- None.

Appendix 3

List of financial interests received by provider from third parties.

- None.

Appendix 4

List of all associates.

- None.

Appendix 5

List of the nature and extent of any ownership interests held by the provider, representatives or associates in third parties.

- None.

Appendix 6

List of the nature and extent of any ownership interests held by third parties, representatives and associates in the provider.

- None

Appendix 7

- [Gift and Entertainment Register](#).

