



ACCREDINET

THE EXTRA DIMENSION IN FINANCIAL SERVICES

An Authorised Financial Services Provider FSP 8933

INTERNAL FAIS COMPLIANCE POLICY

APPLICABLE TO ALL KEY INDIVIDUALS AND REPRESENTATIVES OF THE FSP

PURPOSE

The purpose of this policy is to bring to the attention of staff their compliance duties in term of the FAIS Act, the General Code of Conduct and the FIC Act. Non-compliance with these duties is a potential risk to the company, not only in terms of regulatory intervention by the Financial Services Board and client complaints to the Ombud for Financial Services, but also a reputational risk within the industry.

This policy complements the company's business and risk management plan.

APPLICATION

It is required of all key individuals, representatives and all other employees to have knowledge of their compliance duties and at all times adhere to this policy.

CONSEQUENCES OF NON-COMPLIANCE

Non-compliance with the provisions of this policy and the Acts may lead to disciplinary action and dismissal. Representatives may, in the event of dishonesty, be debarred from operating within the financial services industry.

COMPLIANCE DUTIES

The following is required:

1. to adhere to the provisions of the FAIS Act, the General Code of Conduct, and any other laws of South Africa;
2. to adhere to all duties conferred by the Prevention of Organised Crime Act and the Financial Intelligence Centre Act (POCA & FICA);
3. to obtain and maintain product knowledge, attend product training and stay abreast of developments in the financial services industry as it relates to marketing and intermediary activities;
4. to act diligently in executing all duties and serve the best interests of clients;
5. to avoid any **conflict** between own interest and that of a client or group of clients;
6. to, in the event of a **conflict of interest** situation arising, immediately disclose it in full to the client or clients affected and to the employer;
7. not to, under any circumstance accept from any person or any institution any gift, soft commission, non-financial benefit, gratification, rebate or kickback;

8. to, if any benefit listed under 7 was received, enter it into the company gift register, make full disclosure to the employer and make disclosure to any client that is or may be affected thereby;
9. to immediately disclose any financial or other reward, benefit, incentive or gift, offered or given by a product supplier or other person, to the employer and to any client that it affects;
10. to avoid placing or finding oneself in a situation where there is a conflict of interest between employee and employer;
11. not to receive or hold any client monies or assets under any circumstance;
12. not to disclose or otherwise deal with client information without obtaining the prior written authorisation of such client;
13. never to induce or attempt to induce any client to waive his or her rights conferred by the FAIS Act;
14. not to allow or request a client to sign any blank form;
15. to make all disclosures as required in terms of Sections 4 (Underwriter information), 5 (Broker information) and 7 (Commission and fees in Rand value) of the General Code of Conduct;
16. to ensure that products marketed are financial products as described in the FAIS Act and that the firm is registered and authorised in relation to each of the products marketed;
17. to inform the owners/managers and record in the relevant register any non-compliance with the Act or Code;
18. to follow up the reason for any premature cancellation of a transaction or a financial product and record in the cancellation register all such premature cancellations;
19. to always ensure that client instructions are executed and that its implementation are confirmed and in the event of verbal instructions, that such instructions are confirmed in writing;
20. to ensure that each client signs a proper engagement letter appointing the FSP as its broker;
21. to efficiently and independently deal with client complaints in the manner described in the Complaints Policy & Procedure;
22. to always ensure that replacement procedures are followed in order for clients to be able to make informed choices as to the differences between current and replacement products;
23. ensure that the name and applicable fees of all referral agents are disclosed to any client that is referred by such agent;
24. when providing advice, always follow prescribed risk and data analysis procedures to ascertain what the client's product knowledge, current and future requirements and financial goals are and supply the client with advice suited to his or her individual requirement as well as provide sufficient information, including risks associated with the product recommended, to clients to enable them to make informed product choices;
25. to obtain FICA documentation when required and ensure that FICA responsibilities are carried out in all instances;
26. to confirm all cancellations and terminations of contracts or products with clients in writing, even if clients defaulted on payments and should have knowledge of the termination or instances where clients unilaterally terminated agreements or products.