FINANCIAL SERVICES cc

CONFLICT OF INTEREST

MANAGEMENT POLICY

FINANCIAL SERVICES CC

Authorized Financial Services Provider
FSP15998
info@dcjfinancialservices.co.za
Tel: (031) 765 6181
CK 88 -020545 -23

Name of FSP	DCJ FINANCIAL SERVICES CC
FSP Number	15998
FSP FIC REGISTRATION NUMBER	A1/110201/00031

Background

DCJ Financial Services cc was started by Mr DCJ Watson in 1995.
Mr Watson had over 30 years managerial experience with Old Mutual before taking early retirement from Old Mutual and starting the DCJ Financial Services Practice. In 2000, Mr Craig Ivins joined the practice. Over the years, the practice has grown on the basis of offering its clients sound financial advice and impeccably high service.

At DCJ Financial Services cc, our core focus is helping our clients achieve their financial goals. Our staff will go out of their way to ensure this is done in a personal, caring and empathetic manner. We deal with people not just their money.

Section 3A(2)(a) of the General Code of Conduct stipulates that every provider, other than a representative, must adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the Act. The policy is to provide for mechanisms in place at DCJ Financial Services cc to identify, mitigate and manage the conflicts of interest to which the DCJ Financial Services cc is a party. This Conflict of Interest Management Policy is designed as prescribed in the General Code of Conduct for Financial Services Providers and Representatives as amended by Board Notice 58 of 2010 and Board Notice 146 of 2014.

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P.O. Box 531, Kloof 3640
www.dcjfinancialservices.co.za

Objective of the Policy

This Conflict of Interest Management Policy does not change our existing conflict of interest management procedures but intends to document them in a simple form as required by the Financial Services Board.
In terms of the Financial Advisory and Intermediary Services Act, 2002, DCJ Financial Services cc is required to maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflict of interest. DCJ Financial Services cc has put in place a policy to safeguard its clients' interests and ensure fair treatment of clients.
All providers, key individuals, representatives, associates and administrative personnel will commit to such policy and the processes will be monitored on an ongoing basis. DCJ Financial Services cc keeps and maintains a register in which all actual or potential conflicts are recorded.

Mission Statement on Conflict of Interest

DCJ Financial Services cc is committed to ensuring that all business is conducted in accordance with good business practice. To this end DCJ Financial Services cc conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimize and manage all real and potential conflicts of interests. Like any financial services provider, DCJ Financial Services cc is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern and so our policy sets out how:
we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests;
we have established appropriate structures and systems to manage those conflicts; and
we will maintain systems in an effort to prevent damage to our clients' interests through identified conflict of interest.

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Understanding the Definitions

Conflict of Interest

A conflict of interest may occur when in rendering a financial service to you we do not act objectively or do not render an unbiased or fair service to you or do not act in your interests, including but not limited to:

a) A financial interest
b) An ownership interests
c) Any relationship with a third party.

A Financial Interest

Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1000 per annum) 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.

An Ownership Interest

any equity or proprietary interest for which a fair value was paid on acquisition other than such an interest held by a nominee;
includes any dividend, profit share or similar benefit derived from such interest.

Fair Value

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

New Entrant

Is a person who has never been authorized as a financial services provider or appointed as a representative by any FSP.

Sign-On Bonus

Is any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider?

Here a financial interest includes but is not limited to a:

1) Loan, advance, credit facility or any other similar arrangement; or

2) Compensation for the

- Potential or actual loss of any benefit including any form of income, or part thereof; or
- Cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services;

What may we Give and Receive?

We confirm that we will only receive or offer financial interest from or to the aforesaid providers or other third party in the form of:

(i) Commission authorized under the Long-term Insurance Act, 52 of 1998;

(ii) Commission authorized under the Short-term Insurance Act, 53 of 1998;

(iii) Commission authorized under the Medical Schemes Act, 131 of 1998;

(iv) Fees under the aforesaid acts if these fees are reasonably commensurate to the service being rendered;

(v) Fees for rendering a financial service in respect of which no commission or fees are paid as aforesaid, if those fees are specifically agreed to by you in writing and may be stopped at your discretion;

(vi) Fees or remuneration for the rendering of a service to a third party, which fees are reasonably commensurate to the service being rendered;

(vii) Subject to any other law, an immaterial financial interest;

(viii) A financial interest for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid at the time of receipt thereof.

Remuneration Policy

Our remuneration policy is by commission only.

Processes and Internal Controls

Identification of Conflict of Interest

To adequately manage conflicts of interest we must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which the policy applies, DCJ Financial Services cc considers whether there is a material risk of damage to the client, taking into account whether DCJ Financial Services cc or its representative, associate or employee: 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, group of clients or any other third party over the interests of the client; receives or will 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 legislated commission or reasonable fee for that service. Our policy defines possible conflicts of interest as, *inter alia*: conflicts of interest between DCJ Financial Services cc and the client; conflicts of interest between our clients if we are acting for different clients and the different interests conflict materially; conflicts of interest where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client; storing confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients. We may only receive commissions authorized in terms of applicable legislation. DCJ Financial Services cc maintains an index of potential conflict risks, taking into consideration all business areas and income streams. The index is updated with all new conflicts identified, and to ensure completeness is reviewed on an annual basis. Apart from the register of actual conflict of interests, record must be kept of potential conflict of interest and closely monitored by the KI/assigned staff. All employees, including internal compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify the Key Individual of any conflicts they become aware of. The Key Individual will assess the implications of the conflict and how the conflict should be managed and act impartially to avoid a material risk of harming clients' interests.

Measurement for avoidance and mitigation of Conflict of Interests

Create awareness and knowledge of applicable stipulations of the General Code of Conduct and relevant legislation relating to conflict of interest, through training and educational material.

Ensure understanding and adoption of conflict of interest policy and management measures by all employees, representatives and associates.

Carry out regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance.

Keep a register of conflicts of interest.

Once a conflict of interest has been identified it needs to be appropriately and adequately managed.

The Key Individual will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. Compliance and management then agree on the controls that need to be put in place to manage the conflict.

Disclosure

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients. The Key Individual will ensure transparency and manage conflict of interests. Please list measure of disclosure e.g. Client advice record, disclosure letter, any other means of separate disclosure.

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Publication

We will publish our conflict of interest management policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times. Provide details e.g. our COI policy is available in hard copy in the compliance file/stored electronically on AtWork. A copy will be provided on the client's request.

Declining to act

We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

Ongoing monitoring of Conflict of Interest Management

This policy will be reviewed annually and must be included in your annual FSB compliance report, containing details "…on at least the implementation, monitoring and compliance with, and the accessibility of the conflict of interest management policy."

Craig Ivins is responsible for supervision and monitoring of this policy as well as the process to be followed e.g. inspection of new business transactions, client interviews, discussion with product providers, etc. The key individual or staff member in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters.

Training and Staff

All employees and representatives are required to read Board Notice 58 of 2010 together with Board Notice 146 of 2014 as well as this policy and to sign a statement to the effect that they have done so and fully understand the provisions of all three documents and the application thereof. Comprehensive training on the Conflict of Interest policy will be provided to all employees and representatives as part of specific and/or general training on the FAIS Act. Training will be incorporated as part of all new appointees' induction and refresher training provided on an annual basis.

The Key Individual Craig Ivins will conduct *ad hoc* checks on business transactions to ensure the policy has been complied with. The Compliance Officer will include monitoring of the Conflict of Interest policy as part of his/her general monitoring duties and will report thereon in the annual compliance report.

The compliance function is outsourced to an external Compliance company with no shareholding in this FSP. The Compliance practice functions objectively and sufficiently independently of the FSP and avoids conflicts of interest.

Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.

Avoidance, limitation or circumvention of this policy via an associate will be deemed non-compliance.

This policy shall be reviewed annually and updated if applicable.

Representative Incentives

We confirm we will not offer any financial interest to our key individuals or representatives for-

(i) favouring quantity of business over quality of service; or

(ii) giving preference to a specific product supplier where more than one supplier can be recommended to a client; or

(iii) giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

Sign-On Bonus

We do not offer a sign-on bonus to any person.

Only applicable to CAT I providers that are authorized to give advice
As a Category I provider that is authorized or appointed to give advice, we confirm that we do not receive a sign-on bonus from any person.

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Registers

With regard to existing third-party relationships, being the product suppliers listed in our Contact Stage Disclosure letter, we confirm that we do not have an ownership interest or are subject to exclusive training nor are there any other circumstances which could lead to a potential conflict of interest. Should any conflicts arise with regard to any of these, prior to entering into any business transaction with you, we undertake to disclose these in the registers below.

DCJ Financial Services cc has implemented the registers below:

1. Nature and Extent of Ownership interests

2. Financial Interest Received

3. Nature and Extent of Business Relationships

At DCJ Financial Services cc we believe in open, honest and transparent interactions with our clients. In the course of our business activities, situations may arise whereby we may become entitled to certain financial interests supplied by external parties in addition to the commission that we earn or the fees that we charge.

At DCJ Financial Services cc we take pride therein that our advice is objective and free of external influence, but wish to disclose to you, our valued client, that we have received the following financial interests and wish to disclose the value and the reason for receiving the financial interests.

We do not believe that the financial interests received constitute a conflict of interest, but would gladly address any concerns you may have. Please refer to Annexure 1 to this register for a complete list.

We similarly make every effort to ensure that our advice is not influenced by our status with any one product supplier, but believe that disclosure of these business relationships and the benefits they include, allow you to make informed decisions. Please refer to Annexure 2 for complete details of these business relationships.

In accordance with the General Code of Conduct we are required to disclose any ownership interest we may have in external parties. These are contained in Annexure 3.

Masthead Membership

We are proud to state that we are members of the Masthead Financial Advisors Association. This association is a voluntary body of independent financial advisors, regulated by its own constitution and code of conduct. This code of conduct requires its members to adhere to ethical and professional standards and to act in the best interest of our clients.

As members of the Association [I/we] may become entitled to certain discounts by virtue of [my/our] membership.

The Masthead Financial Advisors Association holds 25% of the issued share capital in Masthead (Pty) Ltd, which is a separate legal entity that specializes in providing support services to independent financial services intermediaries. We have contracted with Masthead (Pty) Ltd to deliver certain services to us, including compliance services. For these services we pay a monthly service fee.

For the sake of full disclosure, please note that we derive no financial interest from Masthead other than services that are paid for.

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Annexure 1

Financial Interest Received
Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1000 per annum) 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.

Description	Date Received	From	Reason	Value

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Annexure 2

Business Relationship / Association

List the different product suppliers, outsource agreements and referral agreements you have with each company, and any associate in relation to a person

Company	Nature of Relationship/ Association	Status	Benefits

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Annexure 3

Ownership Interest

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. This includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Company Name	Percentage Ownership	Date Obtained