
Conflict of Interest Policy

FSP Name: Worldwide Advisory Services (Pty) Ltd
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“A conflict of interest is 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 (i) a financial interest; (ii) an ownership interest; (iii) any relationship with a third party.¹”

Introduction

In terms of the Financial Advisory and Intermediary Services Act, Act No 37 of 2002 (FAIS Act) and its subordinate legislation, Worldwide Advisory Services (Pty) Ltd (hereafter referred to as, “the FSP”) is required to maintain and operate effective organisational and administrative arrangements with a view to take all reasonable steps to identify, monitor and manage a conflict of interest.

The General Code of Conduct (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) “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) “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

¹ Definition of conflict of interest, General Code of Conduct for Authorised Financial Services Providers and Representatives.

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) “Transactions of a client must be accurately accounted for.”

3 (1)(f) “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 about financial service – Section 7:

7 (1)(c)(vi) “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.”

Other:

The GCoC also prescribes that an FSP should disclose to a client the fact that they hold 10% or more shares in a product supplier and whether they received more than 30% of their remuneration from one product supplier over a 12 months period.

The FSP has a policy in place to safeguard its clients’ interests and ensure fair treatment of clients. The key information is summarised below. Detailed information may be obtained upon request from the key individual (KI) who is responsible to monitor and manage a conflict of interest on behalf of the FSP.

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. It will manage potential conflict through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected clients.

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, taking into account 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.

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. The FSP's representatives and employees receive guidance and training on these procedures, and they are subject to monitoring and review processes.

