

**Conflict of Interest Management Policy Summary**  
**“The Policy”**

**FSP1896 Undercover Insurance Brokers (Pty) Ltd**

**1. Background**

FAIS Board Notice 58 of 2010 amended the FAIS General Code of Conduct to require the issuing of a Conflict of Interest Management policy.

The Director of Undercover Insurance Brokers therefore adopts the following Conflict of Interest Management Policy which will be applicable to all aspects of the business.

As an Authorised Financial Services Provider, of Undercover Insurance Brokers promotes the principles of fair and unbiased services to clients and is committed to fair and appropriate services in the interest of clients and stakeholders

**Conflict of Interest is defined as** 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 obligations to that client; or prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to —
  - (i) a financial interest;
  - (ii) an ownership interest;
  - (iii) any relationship with a third party;

**2. Identification, avoidance, management and disclosure of Conflict of Interest**

In terms of the FAIS General Code of Conduct (as amended Undercover Insurance Brokers may not receive a financial interest other than that prescribed in the Short Term Insurance Act 53 of 1998 or any fee not commensurate with the service being offered as prescribed in that Act and the Financial Advisory and Intermediary Services Act

In the event that a financial interest is received, this must immediately be reported to the Key Individual and Compliance Officer and must be disclosed to all affected clients in the manner prescribed by Board Notice 58 of 2010

Receipt of any such financial interest will be a contravention of the employment conditions and will be considered to be a material contravention of the FAIS Act.

Receipt of any benefit must be avoided, and where this is not possible mitigate, any conflict of interest between Undercover Insurance Brokers and a client or the representative and a client as follows;

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 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 of Undercover Insurance Brokers and how it may be accessed.

**A financial interest is defined as;**

“any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, 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;"

Any Immaterial Financial Interest (i.e, less than R1,000 per calendar year received from another FSP) is required to be listed immediately in the Conflict of Interest Register of the FSP.

**An immaterial financial interest is defined as;**

"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) a provider who is a sole proprietor; or  
(b) a representative for that representative's direct benefit;  
(c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives;"

**3. Remuneration**

In accordance with the Act, Undercover Insurance Brokers will not receive or accept any remuneration for;

- (i) giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients; or
- (ii) giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
- (iii) 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.

**4. Accessibility**

A copy of the Conflict of Interest Policy is kept in the Compliance Manual. The comprehensive Conflict of Interest Management Plan and Register is available on request from the office of Undercover Insurance Brokers during office hours.

Date: 7/11/2017

Signed: 

Director