



**CONFLICTS OF INTEREST MANAGEMENT
POLICY:**

CONTROL DOCUMENTATION for CAT II/IIA

Guide

- *1. Log the date and contents of the COI (real, existing or potential).
- *2. can be communicated via email but must be in writing to the "conflicts officer". All correspondence relating to conflict to be placed in a company conflicts file.
- *3. Conflicts officer to liaise with the compliance function to evaluate the conflict and to decide which mechanism to be used to manage conflict (control, avoid or disclose).

If the conflict can be resolved immediately, take the necessary action and advise compliance thereof. The on-going status of the conflict is to be recorded in the register. If the conflict requires further clarity and investigation by any other party, insert comments as appropriate in the appropriate register.

NOTES TO PROCEDURES

1. Assign a member of staff with primary responsibility for identifying, recording and managing conflicts of interest. (To be known internally as the Conflicts Officer). In most circumstances this will be the person with primary responsibility for internal compliance (for example the current in house compliance champion). If an external compliance officer is appointed it may be that the FSP will appoint an internal conflicts officer who will liaise with the compliance function directly to effectively manage conflict situations.

2. The "Conflicts Officer" will advise all relevant staff of:

- The definition of 'conflict of interest';
- The main features; and
- Examples or possible conflicts of interest that may emerge

3. At the same time the Conflicts Officer will co-ordinate a questionnaire (annual) of directors and relevant staff, requiring them to assess all aspects of their responsibilities and their business relationships, with a view to identifying actual or potential conflicts (and circumstances that might be perceived as conflicts). Directors, managers and internal legal and compliance officers should attempt to identify conflicts across the business, while other staff will focus on their individual circumstances.

Even when individuals completing the questionnaire are confident that objective financial advice will be provided, in spite of a potential conflict, they should report the conflict: clients and regulators may not easily be persuaded that advice was objective.

4. The “conflicts Officer” together with compliance will assess the seriousness (with compliance) of identified possible conflicts, and will determine (in consultation with senior management) how the conflict should be managed. Typically this can involve:

5.1 If current disclosures constitute adequate management

5.2 What further disclosures would constitute adequate management?

5.3 Whether or not disclosure alone can adequately manage the conflict. Where it cannot, all stakeholders can decide how the conflict should be avoided, or whether the conflict should be referred for prompt board consideration.

6. The Conflicts Officer will keep adequate records of the controls management process, from identification through to effective resolution of the conflict.

7. The Compliance officer can prepare a report on the management of conflicts of interest, for the Board to consider at intervals appropriate to the business.

8. Conflicts of interest will become a standing agenda item for Board meetings.

9. Procedures can be drafted and adopted by the Board to form part of the compliance documentation, addressing the above steps and responsibilities...

10. The COI procedures and their efficacy in operation will be reviewed by senior management of the FSP in conjunction with compliance.

ROLE OF COMPLIANCE

Compli-Serve, as compliance officers of the FSP, is in a position to assist the FSP in facilitating the handling of any identified conflict relating to the FSP. This may involve assessing and evaluating the conflict with the FSP, and decide upon, and implement, an appropriate response to the conflict.

Compli-Serve to ensure conflict-monitoring procedures are in place to ensure that any non-compliance with the FSP's conflicts management arrangements are identified and appropriately acted on.

As part of the conflict arrangements Compli-Serve will include measures such as meeting with affected staff as appropriate, conduct periodic reviews of the business operation and conduct periodic reviews of client files and other appropriate documentation. Compli-Serve will monitor all conflicts documentation as part of its wider scale monitoring programme with the FSP.

ROLE OF ALL EMPLOYEES IN FSP

All employees of the FSP are obliged to report actual, perceived or potential conflicts of interest-see procedures above to senior management. The failure of employees to notify management to the potential conflict of interest may result in disciplinary action being taken against the affected individual/s.

ROLE OF ALL SENIOR MANAGEMENT

Those individuals responsible for the internal oversight function have responsibilities to implement appropriate processes and procedures for the effective risk management of conflicts of interest and other risks arising within their organizations.

It is the responsibility of senior management to implement conflicts management policies, procedures and controls to manage conflicts effectively. There is no 'one size fits all' that can effectively address the full range of conflicts of interest that arise in the business of the FSP.

**A DETAILED VERSION OF THE CONFLICTS OF INTEREST POLICY IS AVAILABLE
ON REQUEST.**