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RCC COMPLIANCE CONSULTING

CONFLICT OF INTEREST MANAGEMENT POLICY

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1. INTRODUCTION

This Policy has been professionally structured, styled, and refined to align with RCC Compliance Consulting's corporate identity and brand positioning as a trusted regulatory partner to Financial Services Providers. The introduction signals RCC's established presence as a reputable compliance practice operating within South Africa's regulatory environment. It sets the tone for the Policy, reaffirming RCC's commitment to ethical conduct, objectivity, and regulatory excellence across all services rendered. The introduction outlines the purpose and context for this Policy.

As a professional compliance practice, RCC Compliance Consulting provides compliance services to a wide range of Financial Services Providers (FSPs), FSP and NCR licenses applications, Classes of Business (COB) training, Continuous Professional Development (CPD) training and Regulatory Examinations (RE1 & RE5) training. Because of the nature of these services, the potential for conflicts of interest may arise in day-to-day operations. This section explains that the Policy exists to ensure RCC identifies and manages conflicts ethically, transparently, and in accordance with FAIS legislation. It also emphasises RCC's commitment to maintaining the integrity and professionalism required in the industry.

2. PURPOSE OF THE POLICY

This section explains why the Policy is necessary. It highlights that the Policy exists to promote ethical conduct, ensure compliant behaviour, and build trust with clients. It outlines the importance of proactively identifying and managing situations where personal, financial, or business interests could influence RCC's professional judgement. It also clarifies that the Policy supports RCC's obligation to protect clients' interests and ensure transparency in all interactions.

3. SCOPE OF THE POLICY

The scope section clarifies who and what the Policy applies to. It states that the Policy applies to all RCC employees, representatives, contractors, and associates. It also covers all services provided by RCC—whether compliance monitoring, licence applications, FIC registrations, RE training, or any other offering. This ensures that all individuals engaged with RCC uphold consistent standards of ethical and conflict-free conduct.

4. DEFINITION OF CONFLICT OF INTEREST

This section provides a detailed explanation of what constitutes a conflict of interest. It describes conflicts as situations where personal interests, financial gain, external relationships, or other influencing factors may compromise RCC's objectivity or independence. The definition includes both actual conflicts (those that currently exist) and potential conflicts (those that could arise in the future), ensuring a broad and proactive approach to conflict management.

5. TYPES OF CONFLICTS OF INTEREST

Here, the Policy expands on various examples of conflicts that may arise within RCC's operations. These include situations where an individual may receive a benefit that influences professional judgement, where certain clients or suppliers may be unfairly prioritised, or where confidential information is misused for personal advantage. The section emphasises that these examples are not exhaustive, and RCC remains vigilant in identifying new risks as the business evolves.

6. IDENTIFICATION AND ASSESSMENT OF CONFLICTS

This section details how RCC detects conflicts of interest. It explains that RCC carries out regular internal reviews of business relationships, employee disclosures, and operational procedures. It highlights the importance of assessing external business interests, monitoring staff behaviour, and reviewing benefits offered by third parties. Thorough identification and assessment allow RCC to take proactive steps before a conflict compromises ethical conduct.

7. MANAGEMENT AND MITIGATION OF CONFLICTS

This section explains how RCC manages conflicts once identified. It is broken down into three categories:

7.1 AVOIDANCE MEASURES

The Policy first prioritises avoiding conflicts entirely. This includes prohibiting relationships or activities that present unacceptable risks, preventing employees from engaging in conflicting external business interests, and discouraging the acceptance of gifts or incentives that could impair independence.

7.2 MITIGATION MEASURES

When a conflict cannot be fully avoided, mitigation strategies are used. This may include implementing independent oversight, separating duties, strengthening internal controls, or having management review sensitive decisions. These measures ensure that decisions remain objective and fair.

7.3 DISCLOSURE MEASURES

If a conflict persists despite mitigation, RCC commits to transparent disclosure. Clients are informed in writing of the nature of the conflict, the steps being taken to manage it, and any potential impact on services. Disclosure ensures clients are fully aware and able to make informed decisions.

8. FINANCIAL AND NON-FINANCIAL INTERESTS

This section clarifies the types of benefits RCC may or may not accept. It emphasises that RCC cannot offer or accept any benefit that could create a conflict of interest. Only permitted financial interests such as lawful fees, regulated commissions, or low-value promotional items may be accepted. All benefits above a minimal threshold must be documented. These rules ensure that RCC's advice and services remain unbiased.

9. CONFLICT OF INTEREST REGISTER

This section explains RCC's internal tracking mechanism. The Conflict of Interest Register is a formal record that documents all conflicts identified, all financial or non-financial interests received, and the steps taken to manage each conflict. The register ensures accountability and supports transparency during regulatory reviews.

10. STAFF RESPONSIBILITIES AND TRAINING

This section details the expectations placed on all RCC staff. Employees must familiarise themselves with the Policy, disclose any interests that may conflict with their duties, and avoid activities that may compromise professional judgement. RCC conducts ongoing training to ensure employees understand regulatory requirements, ethical expectations, and internal conflict-management processes.

11. CONFIDENTIALITY

This section highlights the importance of protecting client information. It emphasises that employees must maintain strict confidentiality at all times, may not misuse or divulge client information, and may not use confidential information for personal gain. Protecting confidentiality supports ethical service delivery and regulatory compliance.

12. REPORTING AND ESCALATION

This section explains how conflicts should be reported. Employees must promptly report any suspected or actual conflict to the Compliance Officer. The Compliance Officer is responsible for assessing the conflict, investigating the issue, and determining appropriate corrective action. Proper reporting ensures conflicts are handled consistently and transparently.

13. NON-COMPLIANCE AND DISCIPLINARY ACTION

This section outlines the consequences of failing to comply with the Policy. Non-compliance may result in disciplinary action, termination of employment or contractual relationships, or reporting to regulatory authorities where legally required. This reinforces the seriousness of maintaining ethical conduct.

14. REVIEW OF THE POLICY

The review section explains RCC's commitment to keeping the Policy up to date. The document is reviewed annually or whenever regulatory or operational changes occur. This ensures ongoing compliance with legislation and alignment with industry best practices.

15. PUBLICATION AND ACCESSIBILITY

This section clarifies where the Policy can be accessed. It is published on RCC's website, available internally to all staff, and may be provided to clients upon request. Making the Policy accessible supports transparency and trust.

16. CONCLUSION

The conclusion reaffirms RCC's commitment to professional, ethical, and conflict-free service delivery. It highlights that RCC places clients' interests first and ensures all business is conducted with integrity, transparency, and regulatory compliance.

Approved by:

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