

# ACLIVE WEALTH ADVISORY (PTY) LTD

## CONFLICTS OF INTEREST POLICY

## INTRODUCTION

ACLIVE WEALTH ADVISORY (PTY) LTD is the company which owns and operates the brand “CIFMarkets” (the “Company”, “we”, “us”, “our”, “CIFMarkets”), found online at [www.cifmarkets.com](http://www.cifmarkets.com) . ACLIVE WEALTH ADVISORY (PTY) LTD is registered in South Africa, with a registration number 2022/427817/07, regulated by FSCA (Financial Sector Conduct Authority of South Africa with a license number 54857 and registered office address at 1 Hood Avenue, Rosebank, Johannesburg, Gauteng, 2196.

The Company is operating under the Section 8 of the Financial Advisory and Intermediary Services Act, 2002 (Act No.37 of 2002) (collectively the “Act and Applicable Regulations”).

In accordance with the Act and applicable Regulations, the Company is obliged to take reasonable steps to detect and avoid conflicts of interest and inform its clients accordingly, with the present Conflicts of Interest Policy (the “Policy”). The Company is committed to acting honestly, fairly and professionally and in the best interests of its clients. While providing investment services and other ancillary services, the Company strives to stay compliant to the principles set out in the above Applicable Regulations, as well as any other legal context.

## PURPOSE AND SCOPE

The Policy applies to the Company and all its managers, employees and tied agents, or any person directly or indirectly linked to them by control (hereinafter called ‘related persons’) and refers to all interactions with all Clients. The purpose of the Conflicts of Interest Policy is to disclose to the clients that the Company is the client’s counterparty and specify the procedures put in place by the Company for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interests arising in relation to its business and to reduce the risk of client disadvantage and reduce the risk of legal liability, regulatory censure or damage to Company's commercial interests and reputation.

## IDENTIFICATION OF CONFLICTS OF INTEREST

It is the Company’s responsibility to take all reasonable steps to identify and prevent or manage conflicts of interest. Such conflicts of interest may arise:

- a. Between the Company (including managers, employees, tied agents, or any other person directly or indirectly linked to them by control) and their clients
- b. Between Clients of the Company
- c. Between the Company and its employees

- d. Between the Clients and an employee/manager of the Company
- e. Between the Company's departments

Conflicts of interest may arise in the course of providing investment and ancillary services. A special note should be made that such conflicts may arise even in the receipt of inducement by third parties, or by the Company's own remuneration and other incentive structures.

For the purposes of identifying the types of conflict of interest that may arise in the course of providing investment and ancillary services and whose existence may damage the interests of a Client, the Company takes into account, whether the Company or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- a. The Company or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client.
- b. The Company or a relevant person 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.
- c. The Company or a relevant person has a financial or other incentive to favor the interest of another Client or group of Client over the interests of the Client.
- d. The Company or a relevant person participates in the same business as the Client.
- e. The Company or a relevant person 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 standard commission or fee for that service.

Conflicts of interest can occur in a number of situations including, inter alia:

- a. The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing a client's specific order.
- b. The Company is likely to sustain an overall financial gain by not executing a client's specific order.
- c. The market moves to a direction of a point/timing when by executing client's order will result in a financial loss for the Company.
- d. The Company's hedging policy is affected negatively by the market movement and as a result client's orders are rejected in order to prevent a financial loss for the Company.

## ORGANISATIONAL REQUIREMENTS

The Company aims at preventing conflicts of interests and refrains from adversely affecting the interests of its Clients. In this respect, it maintains and operates effective organizational and administrative arrangements. This includes appropriate tests to identify and to prevent or manage conflicts of interest between the Company, any related persons and its clients. The Company further undertakes all organizational or administrative arrangements to prevent conflicts of interest from by encompassing all reasonable steps to ensure continuity and regularity in the performance and provision of investment services and activities to clients. The Company employs all appropriate and proportionate systems, resources and procedures. It has established administrative and accounting procedures, internal control mechanisms, effective procedures for risk assessment and effective control and safeguard arrangements for information processing systems.

The Company shall at all times employ all necessary steps to prevent conflicts of interest from affecting the interest of its clients and ensure that risks of damage to client interests will be prevented. In case of conflicts of interests, the Company shall disclose to the client the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on the Client's behalf. Such disclosure shall fulfill the following requirements:

- a. be made in a durable medium
- b. include sufficient detail, considering the nature of the client, to enable the client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

## ASSESSMENT AND MANAGEMENT OF CONFLICTS OF INTEREST

The Company maintains effective procedures to prevent or control the exchange of information between relevant persons engaged in activities that involve a risk of a conflict of interest, given that such exchange of information may harm the interests of one or more Clients. This also includes personal transactions that may be performed by employees of companies which perform an outsourced activity to the Company, if any. If any personal transactions are entered into, the Company must be notified promptly.

During the onboarding procedure with the company, all employees must on and fully understand and accept the Policy. A register is kept regarding such acceptance, which is to be filed and managed by the Management of the Company.

## REPORTING A CONFLICT OF INTEREST

All the employees or related persons of the Company are encouraged and expected to report and give feedback to the Compliance Department of the Company, who will then report to the Senior Management of the Company. All employees are also encouraged to

report any cases which may lead to more scrutiny in the Company's policies or encourage review and/or expansion of disclosures included in the documentation kept. This will take the form of identification, assessment and imposition of corrective actions to preclude the conflict, where this might be possible.

In the case however where an employee who identifies any conflict of interest, they **must** immediately refer it initially to their immediate supervisor to assist in the assessment of a material risk of damage and send a completed Conflict of Interest Notification Form to the Compliance Officer, including full details of the identification, assessment and monitoring to allow scrutiny, of:

- a. The nature of the conflict of interest;
- b. Corrective and preventive actions;
- c. The reason said actions were deemed as necessary;
- d. Any conditions imposed; and
- e. Whether there are still ongoing conflicts, how these are being managed and advised to the client;

## RECORD KEEPING

The Company keeps and regularly updates a record which states the conflicts of interest that may impose a material risk of damage to the interests of Clients, during the course of normal business. The Company keeps record of such conflicts, reports, assessment and analysis, as well as any relevant documentation, for up to seven years.

## ACTIONS

The Company is taking action to manage the conflicts of interest that may be identified from time to time. Such actions may include numerous measures, inter alia:

- The Company maintains a Best Execution Policy which sets out the procedures for delivering best execution to the clients of the Company.
- The Company has implemented monitoring mechanisms with regards to the execution parameters which are taken into account in order to ensure that the best possible result is reached when executing client orders.
- The Company remains solely responsible for the assessment of the clients' knowledge and experience during their onboarding with the Company and any onboarding decisions are determined as per the Company's discretion.
- The Company monitors client communication to ensure that its employees do not engage in any form of misconduct.
- Chinese walls restricting the flow of confidential and inside information with the Company and physical separation of department.

- Procedures governing access to electronic data.
- Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
- A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
- Organisational and administrative arrangements to limit the conflict of interest arising from the giving and receiving of inducements.
- The prohibition of external business interests conflicting with our interests as far as the Company's officers and employees are concerned, unless the Board of Directors' approval is provided.

The Company shall regularly monitor and review its existing policies and procedures and shall amend the current Policy at its sole discretion whenever this is deemed to be necessary according to its operations.

## DISCLOSURE

Where a conflict arises and the Company is aware of it, it will disclose the conflict to the client prior to undertaking investment business for that client or, if it does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.