General Code of Conduct for Authorised Financial Services Providers and their Representatives

Sub-sections 3A(1)(a) and 3A(1)(d)

3A. Financial interest and conflict of interest management policy

(1)

(a) A provider or its representatives may only receive or offer the following financial interest from or to a third party –

> (i) commission authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Short-term Insurance Act, 1998 (Act No. 53 of 1998);
>
> (ii) commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998);
>
> (iii) fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998), the Short-term Insurance Act, 1998 (Act No. 53 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998);

(iv) fees for the rendering of a financial service in respect of which commission or fees referred to in sub-paragraph (i), (ii) or (iii) is not paid, if–

> **(aa) the amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representatives in exchange for the fees are specifically agreed to by a client in writing; and**
>
> **(bb) those fees may be stopped at the discretion of that client;**

(v) fees or remuneration for the rendering of a service to a third party;

(vi) subject to any other law, an immaterial financial interest; and

(vii) a financial interest, not referred to under sub-paragraph (i) to (vi), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

(d) A provider or its representatives may only receive or offer the financial interests referred to in sub-sections (a)(iii), (iv) and (v) if–

> (i) those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;
>
> (ii) the payment of those financial interests does not result in the provider or representative being remunerated more than once for performing a similar service;
>
> (iii) any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated; and
>
> (iv) the payment of those financial interests does not impede the delivery of fair outcomes to clients.