**Kingswood Group**

**Conflicts of Interest Policy**

# **Introduction, Purpose and Scope**

As UK regulated companies, KW Wealth Planning Ltd and KW Investment Management Limited (together “Kingswood” or “the firm”) are required to establish and maintain an effective Conflicts of Interest Policy (this “Policy”).

Kingswood has a regulatory obligation under FCA rules to establish processes and controls in order to identify conflicts of interest and manage them fairly. Our regulatory considerations also extend to the Consumer Duty, in which the firm must produce good outcomes for consumers and avoid causing foreseeable harm from the effect of potential or actual conflicts to its clients.

Managing conflicts of interest will lower the risk of the firm’s clients being unfairly disadvantaged, legal action being taken against the firm, or censure from regulatory bodies, and ensure that the company conducts business with good client outcomes in mind.

This Policy applies to all Kingswood employees including temporary staff and contractors (“employees”). All employees have a responsibility to exercise good judgment in all personal and business dealings and to take all reasonable steps to prevent relationships which might conflict or appear to conflict with the interests of the firm and its clients.

Where conflicts cannot be avoided or prevented, the firm has the responsibility to manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of clients.

# **Conflicts of Interest**

## **2.1 – General Responsibility:**

Conflicts of interest should be avoided wherever reasonably possible. Where employees are in a position such that a conflict may arise, then senior management and the Risk and Compliance team should be notified.

The Risk and Compliance department maintains a Conflicts of Interest register which is subject to Senior Management Oversight via the Risk Committee. There is also a Risk and Compliance Monitoring plan which covers matters that potentially result in a Conflict of Interest.

## **2.2- Types of Conflict:**

The main types of conflict that can occur are conflicts between:

1. The firm and a client
2. An employee of the firm and a client of the firm
3. A client of the firm and another client
4. An employee and the firm
5. Different entities within the firm
6. Conflicts arising from new products or strategic initiatives.

## **2.3 -Examples**

Some examples of the types of conflict that can occur are:

* Where the firm or an employee may make a financial gain, or avoid a financial loss, at the expense of the client;
* Where the firm has an interest in the outcome of a service provided to the client or a transaction carried out on behalf of the client, which is different to the client’s interest in that outcome;
* Where the firm or an employee has an incentive to favour the interest of a particular client or group of clients over the interests of another client;
* Where the firm may receive a 3rd party inducement in relation to a service provided to the client, in the form of monies, goods or services, over and above the standard fee for that service.
* Any conflicts arising from the firm’s remuneration and incentive structures.
* Where firm employees are invited to act as powers of attorney or trustees to clients / trusts where advice is being provided.

# **3. Managing Conflicts of Interest**

An overview of the main types of conflict and measures take to control them are outlined below. All are subject to periodic Risk and Compliance monitoring to ensure adherence to policy.

## **3.1 – Personal Account (PA) Dealing for Employees**

All employees are required to adhere to the firms PA dealing policy. This is in place to ensure that any such dealing does not involve conflicts of interest or misuse of insider, proprietary or client confidential information, and that clients are not disadvantaged as a result of these dealings.

## **3.2 – Gifts and Hospitality (G&H)**

A G&H policy is in place to ensure that gifts and hospitality given or received are justifiable in all circumstances and unlikely to influence the professional judgement and responsibility. The Risk and Compliance team maintain a log of all G&H.

## **3.3 – Outside Business Interests (OBI)**

Employees are not permitted to engage in outside employment where this presents any conflict to the firm without prior approval from Risk and Compliance. Consideration is made of the potential conflict of advisers who are self-employed, this being managed through the firms T&C and file review procedures. The firm maintains an OBI policy outlining the types of role that result in potential or perceived conflicts.

## **3.4 - Order Execution**

The firm may combine a transaction for clients with orders of other clients. Where this occurs, it is purely to assist in the execution of the order. The firm has an order execution policy in place to ensure fair treatment of all clients where this situation occurs.

## **3.5 – Providing Advice on in-house Investment Solutions**

The firm may gain financially if in-house investment solutions are used by clients under advice or via discretionary investment management. Kingswood provides restricted advice which is clearly disclosed to clients before undertaking business with the firm. Risk and Compliance controls are in place to monitor the suitability of advice, with advice files checked on a regular basis. Additional training and monitoring on ‘replacement business’ is conducted regularly and oversight on investment solutions is undertaken by the firms Product Governance framework.

## **3.6 – Related Party Transactions**

Where the firm or its parent company Kingswood Holdings Limited is involved in any transactions with related parties (e.g. those under common or related ownership), these are disclosed in line with AIM listing rules.

AIM rule 13 specifies that a company must issue a notification without delay outlining the terms of a transaction with a related party.

This includes the name of the related party concerned and the nature and extent of their interest in the transaction. The company must also confirm that (with the exception of any director who is involved in the transaction as a related party), its directors consider the terms of the transaction to be fair and reasonable insofar as its shareholders are concerned.

## **3.7 – Remuneration Policy**

The firm’s remuneration policy is designed to ensure that compensation arrangements will not give rise to conflicts. For example, staff involved in monitoring conflicts of interest (e.g. Compliance) are not remunerated based on the performance of services or activities that they monitor. Where staff remuneration is linked to sales performance, the company will maintain oversight controls and monitoring to ensure suitability of advice and fair client outcomes.

## **3.8 – Client Requests**

The close relationships between wealth planners and their clients may result in situations where a client invite a Wealth Planner to act as a trustee or executor or another similar role on their behalf. Where this occurs, it may represent a conflict of interest and therefore should be notified to the Risk and Compliance department for review.

## **3.9 -Whistleblowing**

The firm provides appropriate channels for the reporting/whistleblowing of conflicts of interest within Kingswood, when an employee considers this to be the appropriate channel to draw the matter to the attention of the firm. The Whistleblowing Policy sets forth procedures for employees to report any concerns or suspicions regarding possible violations of laws, rules or regulations.

# **4 – Disclosing and Declining to Act**

Where the management of any specific conflict may not be sufficient to ensure to fully mitigate the risks to client interests, then this will be fully disclosed. If it is not possible to manage the conflict, Kingswood will decline to act for the client.

# **5 – Conflicts of Interest Register**

The Kingswood Risk and Compliance team maintains the Conflicts of Interest register which should be reviewed annually. This includes the review of this Policy,