



Zivalea (Pty) Ltd

Treating Customers Fairly (TCF)

Policy

November 2024



1. BACKGROUND

The "Treating Customers Fairly" (TCF) regime was introduced in South Africa in 2011 to enhance consumer protection and promote fair treatment of financial customers. Initially established as a guiding framework, TCF is evolving toward a legally binding regulatory system focused on ensuring that financial service providers deliver consistently positive outcomes for customers.

The South African government identified gaps in consumer protection within the financial sector and recognized the need for stronger measures to compel financial providers to prioritize fairness in customer interactions. On February 23, 2011, the National Treasury Policy Department issued a policy paper titled "A Safer Financial Sector to Serve South Africa Better." This document outlined proposed reforms to improve market conduct, enhance consumer protection, and promote financial inclusion. It addressed issues such as high fees, the resilience and integrity of financial institutions, and the need to combat financial crime. The intent was to foster dialogue among the public, government, and other stakeholders about strengthening the financial sector's role in serving South Africa's interests.

Today, TCF operates as an outcomes-based regulatory and supervisory framework, mandating that financial institutions meet defined fairness outcomes at each stage of the product lifecycle. Institutions must demonstrate adherence to the six TCF Outcomes—covering everything from product design and promotion to advice, service, complaints, and claims handling—ensuring fair treatment of financial customers at all times.

2. INTRODUCTION

Zivalea (Pty) Ltd (hereinafter "the Company," "we," "us," "our") is dedicated to delivering fair, high-quality service to our clients. We uphold the core principles of the Treating Customers Fairly (TCF) initiative as fundamental to our mission of being a trusted and respected Financial Services Provider (FSP).



We recognize that our clients are our most valuable asset, and we are fully committed to providing them with the highest standards of service. Fair treatment of our customers is integral to our success and central to building enduring trust and satisfaction.

3. TCF CULTURE FRAMEWORK

To integrate Treating Customers Fairly (TCF) principles across all operations, Zivalea (Pty) Ltd has established a TCF culture framework that influences the following organizational structures and processes:

- **Leadership:** TCF commitment starts at the top. The Board and senior management are accountable for instilling TCF principles across all business levels. This involves not only understanding TCF but also actively implementing it within each area of the business. Senior leadership is expected to guide, direct, and monitor TCF outcomes, ensuring TCF becomes a natural part of the Company's daily operations.
- **Strategy:** TCF principles are embedded within our business strategy, aligning with our vision and values. This ensures that TCF goals are integral to strategic and operational planning. Any strategic or business plans developed by senior management include TCF considerations to reinforce our dedication to fair treatment in all decisions.
- **Decision-making:** Decision-making protocols incorporate customer impact as a key consideration. All customer-related decisions are reviewed to ensure they align with TCF principles. Creating an environment where staff feel empowered to evaluate and challenge decisions from a TCF perspective is essential, allowing decisions to be examined through a customer-centric lens.
- **Governance and controls:** Our governance and control structures are designed to enforce TCF principles. This includes incorporating TCF in product approvals, distribution models, service standards, claims assessments, and complaint handling. Effective management information and measurement systems monitor our TCF outcomes, allowing us to identify TCF risks and ensure compliance with FSCA rules. Reporting mechanisms further ensure our adherence to TCF standards.
- **Performance management:** Recruiting skilled staff and representatives trained to deliver positive TCF outcomes is a priority. TCF expectations are embedded in performance evaluations and objectives, not only for customer-facing employees but also for middle and senior management. This ensures all levels are accountable for supporting fair customer treatment.



- **Reward:** Our remuneration and incentive policies balance business goals with TCF objectives, ensuring that reward structures do not encourage practices that could compromise customer protection. Performance incentives prioritize long-term customer outcomes over short-term gains, avoiding conflicts of interest and promoting responsible, customer-centered practices.

4. THE SIX FAIRNESS OUTCOMES

- Customers can be confident they are dealing with firms where TCF is central to the corporate culture
- Products & services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly
- Customers are provided with clear information and kept appropriately informed before, during and after point of sale
- Where advice is given, it is suitable and takes account of customer circumstance
- Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect
- Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint

5. STRATEGIES IMPLEMENTED FOR THE SIX OUTCOMES

To ensure that TCF principles are effectively embedded in all aspects of our operations, Zivalea (Pty) Ltd (the "Company") has developed strategic initiatives to implement the six TCF outcomes. These strategies will integrate TCF into our business model, ensuring alignment with fair customer outcomes.

1. **Culture and Governance**

- **Embedding TCF in Company Culture:** TCF principles are central to the Company's culture, with the Board and management committed to fair treatment in all decision-making processes.
- **Employee Training:** Regular training on TCF principles ensures all staff understand their role in promoting fair customer treatment.
- **Monitoring and Reporting**



- i. **TCF Metrics and KPIs:** The Company tracks TCF through metrics like complaint rates and response times, monitoring client interactions to assess service quality.
- ii. **Employee Performance Reviews:** TCF compliance is part of employee evaluations, focusing on customer-facing roles to ensure adherence to fair treatment standards.
- iii. **Complaint Analysis:** We conduct root cause analysis of complaints, identifying patterns and addressing underlying issues to improve customer satisfaction.
- iv. **External Audits:** Annual external audits assess the Company's TCF practices, providing independent insights and recommendations for enhancement.

2. Product Design and Target Market

- **Understand Customer Needs:** Through an onboarding questionnaire, the Company assesses each customer's financial situation, risk tolerance, and knowledge to ensure suitability in the target market.
- **Clear Product Information:** The Company provides transparent, easily understood product information, including potential risks and costs associated with CFDs.
- **Risk Disclosure:** Risk warnings are clearly displayed on our website, marketing materials, and customer communications.

3. Transparent and Clear Communications

- **Fair Marketing Practices:** All marketing materials are reviewed by the Compliance Department for clarity and accuracy, ensuring they are fair and not misleading.
- **Comprehensive Client Agreement/Terms & Conditions:** The Company's Client Agreement outlines terms and conditions transparently, with no hidden clauses.
- **Ongoing Communication:** Dedicated support representatives provide clients with timely information on market updates and any changes that may impact on them.

4. Advice and Intermediary Services

- **Limiting Advice:** The Company does not offer investment advice. Representatives provide only technical support, education and market updates without recommending specific assets, maintaining a neutral stance.



- **Encouraging Independent Research:** When clients request asset-specific guidance, representatives refer them to reputable sources (e.g., Investing.com) for information, allowing clients to make independent decisions.

5. Product Performance and Customer Expectations

- **Delivering on Promises:** The Company ensures product performance aligns with marketing and customer expectations.
- **Transparent Pricing and Costs:** The Client Agreement details general fees, while the trading platform provides specific spread and swap costs that can be checked prior to position opening.

6. Customer Service and Complaint Handling

- **Efficient Support:** The Company maintains a robust support team to address client inquiries promptly.
- **Fair Complaint Resolution:** An accessible Complaint Handling Policy on the Company's website details procedures and contact information.
- **Learning from Complaints:** Complaints are viewed as learning opportunities, informing improvements to products and services.

7. Post-Sale Treatment

- **Ongoing Suitability Checks:** The Company will on a regular basis assess the suitability of the product for the customer through the relationship, especially in response to changes in market conditions or customer circumstances.
- **Proactive Communication:** Clients are informed of any product changes in advance, enabling informed decision-making.

8. Performance Monitoring and Compliance

- **Continuous Improvement:** The Company reviews and updates TCF strategies regularly in response to regulatory changes, market dynamics, and customer feedback.

9. Conflict of Interest Management

- **Identifying Conflicts:** Potential conflicts, such as those involving third-party service providers or employee incentives, are proactively identified.



- **Conflict of Interest Policy:** A comprehensive Conflict of Interest Policy on the Company's website explains how conflicts are managed.
- **Transparency with Customers:** Any conflicts are disclosed to clients clearly, with explanations of how these are managed to ensure fair treatment.

10. Remuneration and Incentive Structures

- **Fair Remuneration Policies:** Employee remuneration structures are balanced to avoid incentives that may compromise fair treatment.
- **Aligning Incentives with Customer Outcomes:** Incentive programs are designed to promote long-term customer satisfaction and retention rather than solely focusing on sales performance.
- **Annual Policy Review:** Remuneration Policy undergoes an annual review for continued alignment with TCF objectives.
- **Ethical Sales Training:** Sales agents are trained in ethical practices, emphasizing customer interest over personal gain.

11. Best Execution

- **Order Execution Standards:** A Best Interest and Execution Policy outlines how the Company achieves optimal trade results for clients, considering factors like price, speed, and order size.
- **Monitoring and Review:** Execution arrangements are continuously monitored to ensure consistent delivery of favorable outcomes for clients.