

Conflicted Remuneration

Checklist

Ask yourself the following questions.

	Question	Do I comply? Yes or No	
1	Do I (and our representatives) understand what conflicted remuneration means?		<ul style="list-style-type: none"> Read RG 246: Conflicted remuneration Provide practical training to advising representatives and administration staff.
2	Have I reviewed our AFSL related remuneration sources in light of the ban on conflicted remuneration?		<ul style="list-style-type: none"> List all sources of remuneration received by the licensee, authorised representatives and employees of either. Review each to decide whether they are banned or not.
3	Have I considered what impact this has on my business model?		<ul style="list-style-type: none"> Consider various alternative remuneration structures which will not be conflicted remuneration.
4	If yes to question 2, do I need to bring in a new compliance procedures? What will they look like? If no to question 2, make sure you do this!		<ul style="list-style-type: none"> You will need to amend your compliance manual/ procedures and HR processes to take the new steps into account.
5	Have I considered how the conflicted remuneration and bests interests duty obligations will intersect in our business?		<ul style="list-style-type: none"> Review your approach as to how you will meet both the interests duty and conflicted remuneration obligations (particularly in relation to conflicted remuneration which is "protected" by grandfathering).
6	Do I need to amend our client acknowledgements/consents if our clients will be asked to authorise/direct the receipt of certain benefits that might otherwise be considered conflicted remuneration(eg payments from product providers)?		<ul style="list-style-type: none"> Read RG246.59-66 Review acknowledgements and consents currently used.
7	Do our monitoring and supervision arrangements check that me and our representatives have complied with the ban on conflicted remuneration?		<ul style="list-style-type: none"> Review monitoring and supervision procedures, including checklists.
8	Do I and our representatives know what to do if they are not sure they are complying with the ban on conflicted remuneration?		<ul style="list-style-type: none"> Ensure compliance manuals include conflicted remuneration explanations and advisers have access to compliance support to ask questions.

Source: *Holley Nethercote Commercial & Financial Services Lawyers* - May 2013