



CUREMED

HEALTH AND WEALTH CONSULTANTS

**ADVERTISING AND DIRECT MARKETING POLICY FOR
FINANCIAL SERVICES PROVIDERS**

Version Control

The Provider undertakes to review this policy at least once every 12 months to ensure that it meets the appropriate legal requirements and reflects best practices.

Version number	Version date	Summary of changes made
2	20/03/2024	
3	01/07/2024	Change of KI

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1. INTRODUCTION

The Financial Sector Conduct Authority (“FSCA”) governs the rendering of financial services through the Financial Advisory and Intermediary Services Act 37/2002 and subordinate legislation.

The *General Code of Conduct for Financial Services Providers and Representatives* (General Code)¹ requires financial service providers to have written advertising processes that are approved by either the Key Individual or Senior Management.

2. DEFINITIONS

Unless the context clearly indicates otherwise, the following definitions shall have the meanings for purposes of this policy:

“advertisement” means any communication published through any medium and in any form, by itself or together with any other communication, which is intended to create public interest in the business, financial services, financial products or related services of a provider, or to persuade the public (or a part thereof) to transact in respect of a financial product, financial service or related service of the provider in any manner, but which does not purport to provide detailed information to or for a specific client regarding a specific financial product, financial service or related service;

“comparative” refers to a direct or indirect comparison between providers or between financial products, financial services or related services of one or more provider or product supplier;

“Direct marketing” means the rendering of financial services by way of telephone, internet, digital application platform, media insert, direct or electronic mail, but excludes the publication of an advertisement;

¹ Section 14 of Board Notice 8 of 2003 [General Code of Conduct for Authorised Financial Services Providers and Representatives]

- “endorsements”** refer to public statements declaring the virtues of a financial product, financial service or related service of a provider or recommending the entering into of a financial product, financial service or related service;
- “loyalty benefit”** means any benefit (including a so-called cash or premium back bonus) that is directly or indirectly provided or made available to a client by a provider or a product supplier or an associate of the provider or product supplier, which benefit is wholly or partially contingent upon –
- (a) the financial product with that provider or product supplier remaining in place;
 - (b) the client continuing to utilise a financial service of that provider or product supplier;
 - (c) the client increasing any benefit to be provided under a financial product; or
 - (d) the client entering into any other financial product or benefit or utilising any related services offered by that provider, product supplier or their associates;
- “no claim bonus”** means any benefit that is directly or indirectly provided or made available to a client by a product supplier in the event that the client does not claim or does not make a certain claim under a financial product within a specified period of time;
- “plain language”** means communication that—
- (a) is clear and easy to understand;
 - (b) avoids uncertainty or confusion; and
 - (c) is adequate and appropriate in the circumstances,
- taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted;
- “publish”** means—
- (a) to make generally known;
 - (b) to make a public announcement of;
 - (c) to disseminate to the public; or

(d) to produce or release for distribution;

and “publication” has a corresponding meaning;

“puffery”

means any value judgments or subjective assessments of quality based solely on the opinion of the evaluator and where there is no preestablished measure or standard;

“sign-on bonus”

means—

(a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and

(b) a financial interest referred to in paragraph (a) includes but is not limited to—

(i) compensation for the—

(aa) potential or actual loss of any benefit including any form of income, or part thereof; or

(bb) cost associated with the establishment of a provider’s business or operations, including the sourcing of business, relating to the rendering of financial services; or

(ii) a loan, advance, credit facility or any other similar arrangement

“white labelling”

refers to the marketing of, or offering of, a specific financial product of a product supplier wholly or partially under the brand of another person who is not the product supplier, in terms of an arrangement between the product supplier and that other person;

3. GENERAL PRINCIPLES

Advertisements must adhere to the following principles:

- 3.1 be factually correct, excluding aspects of an advertisement constituting puffery;
- 3.2 provide a balanced presentation of key information;

- 3.3 not be misleading;
- 3.4 when referencing statistics, performance data, achievements or awards must disclose:
 - 3.4.1 the source and date thereof;
 - 3.4.2 the identity of the person/entity giving the award and it must be clear that if the award is granted by an associate of the provider;
- 3.5 when referring to premium or periodic investment amounts
 - 3.5.1 in the case where the premium or periodic investment amount will escalate automatically, show the escalation rate or basis;
 - 3.5.2 where the premium may change at a future date (in the case of an insurance policy), indicate the period for which the premium is guaranteed;
- 3.6 advertisements that are descriptive must not
 - 3.6.1 give benefits or returns undue prominence compared with risks; and
 - 3.6.2 exaggerate benefits or returns or create expectations regarding financial product or financial service performance or the performance of related services that the provider does not reasonably expect to achieve;
- 3.7 Descriptive advertising must include key limitations, exclusions, risks and charges, which must be clearly explained and must not be worded positively to imply a benefit.
- 3.8 References to a fee or cost must give a realistic impression of the overall level of fees or costs a person is likely to pay, including any indirect fees or costs;
- 3.9 In instances where the information contained in paragraph 2.8 above cannot be provided due to the nature of the medium used for the advertisement, the advertisement must include the following:
 - 3.9.1 that additional information on key limitations, exclusions, risks and charges related to the financial product, financial service or related service being advertised is available; and
 - 3.9.2 where and how the additional information in (paragraph 2.8) may be accessed;
- 3.10 Advertisements must be structured in a way that will not lead an average targeted client to any false conclusions he or she might reasonably reply upon.
- 3.11 The Financial Service Provider must consider the following:
 - 3.11.1 the literal meaning of the words;
 - 3.11.2 impressions from nonverbal portions of the advertisement; and
 - 3.11.3 materials and descriptions omitted from the advertisement.

4. PUBLIC INTEREST

An advertisement must not disparage or make inaccurate, unfair or unsubstantiated criticisms about any financial product, financial service, product supplier or provider.

5. IDENTIFICATION OF PRODUCT SUPPLIER OR PROVIDER

- 5.1 An advertisement must not use the group or parent company name or the name of any other associate of a product supplier or provider, or the name of another person, to –
 - 5.1.1 create the impression that any person other than the product supplier or provider, as the case may be, is financially or otherwise liable in relation to a financial product or financial service;
 - 5.1.2 mislead or deceive as to the true identity of the provider or product supplier.
- 5.2 The advertisement of a financial product that is subject to a white labelling arrangement must clearly and prominently identify the product supplier.

6. APPROPRIATE LANGUAGE AND MEDIUM

- 6.1 An advertisement must use plain language.
- 6.2 The terms must be defined or explained in a language that will be easily understood by the targeted client.

7. RECORD KEEPING

- 7.1 Adequate records of all advertisements must be kept for a minimum of 5 years after publication.
- 7.2 A direct marketer must record all telephone conversations with clients in the course of direct marketing and must have appropriate procedures and systems in place to store and retrieve such recordings.

8. NEGATIVE OPTION MARKETING

A provider or any person acting on its behalf may not offer to enter into any agreement in respect of a financial product or financial service on the basis that the agreement will

automatically come into existence unless the client explicitly declines the provider's offer to enter into agreement.

9. UNWANTED DIRECT ADVERTISING

Direct advertising must allow the client during that call or within a reasonable time after receiving the message, the opportunity to opt out of any further advertisements.

10. COMPARATIVE MARKETING

Where comparative advertising is used, the survey or other product or service comparison must:

- 10.1 be done by an independent person, (if not practical), the advertisement must be qualified;
- 10.2 be conducted regularly if relied on or referenced on an on-going basis;
- 10.3 ensure that financial products or services being compared have similar characteristics (including the price and benefits);
- 10.4 when comparing the prices of financial products or services, also include the suitability and its delivery on the client expectations;
- 10.5 in particular, in the case of comparisons between financial products that are insurance policies, must ensure that price comparisons are based on policies with equivalent terms and conditions, including insured events, cover levels, exclusions, waiting periods and other key features;
- 10.6 ensure that the information used in comparisons is current, complete and accurate;
- 10.7 ensure that the following information is publicly available and readily accessible to the public:
 - 10.7.1 comparison source
 - 10.7.2 date thereof; and
 - 10.7.3 methodology applied.

11. ENDORSEMENTS

- 11.1 Testimonials and third person endorsements used in an advertisement must:
 - 11.1.1 be the opinion and actual experience and statement of the person making the testimonial or endorsement;

- 11.1.2 may use a pseudonym instead of the real name of the person making the testimonial or endorsement purposes, provided this is stated in the advertisement concerned;
- 11.2 If the person making the testimonial or endorsement, or their employer or principal or any associate, has any financial interest or relationship to the provider or product supplier, or will or has been compensated for the endorsement by any person, this must be disclosed in the advertisement.
- 11.3 Any endorsement in an advertisement must clearly and prominently state that the endorsement does not constitute financial advice.

12. LOYALTY BENEFITS OR BONUSES

- 12.1 An advertisement that references a loyalty benefit (including cash or premium back bonuses relating to insurance policies) or no-claim bonuses must not create the impression that such benefit is free.
- 12.2 They must therefore indicate the following:
- 12.2.1 if the loyalty benefit or no-claim bonus is optional or not;
- 12.2.2 express the cost of the benefit or bonus, unless the impact is negligible; and
- 12.2.3 identify the grantor of the benefit or bonus.
- 12.3 The impact is considered negligible if the cost of the loyalty benefit or no-claim bonus **comprises less than 10%** of the total premium or investment amount payable under a financial product.
- 12.4 where the impact of a loyalty benefit or no-claim bonus is not negligible and where the advertisement refers to the actual premium or investment amount payable—
- 12.4.1 the cost of the benefit or bonus must be shown as a percentage of that premium or investment amount; and
- 12.4.2 the provider must be able to demonstrate that the premium or investment amount and benefit cost used in the advertisement presents a true reflection of the cost impact for the average targeted client; and
- 12.5 where the impact of a loyalty benefit or no-claim bonus is not negligible and where the advertisement does not refer to the actual premium or investment amount payable, the average cost of the benefit or bonus as a percentage of premium or investment amount must be provided.
- 12.6 Where an advertisement highlights a loyalty benefit or no-claims bonus as a significant feature of a financial product or financial service and makes reference to a projected loyalty benefit value or no-claim bonus value that is payable on the expiry of a period in the future, it must also express the value of the projected

benefit or bonus in present value terms, using reasonable assumptions about inflation.

- 12.7 An advertisement must clearly state whether the availability or extent of a loyalty benefit or no-claims bonus is contingent on future actions of the client or any factors not within the client's control.
- 12.8 An advertisement may not create the impression that the bonus or benefit is guaranteed or more likely to materialise than the provider or product supplier reasonably expects for the average targeted client.

13. PROMINENCE

- 13.1 In determining whether the information is disclosed prominently, consideration must be given to –
- the target audience of the advertisement;
 - the likely information needs of the average targeted client;
 - prominence in the context of the advertisement as a whole;
 - positioning of the text and audibility and speed of speech;
 - the duration of displays of key information;
 - background;
 - colour; and
 - font size
- 13.2 A statement or information in an advertisement is not regarded as being prominent, if the statement or information is –
- obscured through the close proximity of promotional illustrations and/or additional text;
 - difficult to read due to the use of small font sizes, unclear type styles or the duration of which it is displayed;
 - likely to be overlooked due to its position;
 - superimposed across a coloured or patterned background which lessens its visual impact; or
 - difficult to hear or understand due to the volume or speed at which speech is delivered;
- 13.3 In an advertisement relating to a financial product that is subject to a white labelling arrangement, the name of the product supplier must be as frequently mentioned, as audible or as visible as that of the white label and, in respect of written media, must be at least the same font size as that of the white label.

14. FORECASTS, ILLUSTRATIONS, HYPOTHETICAL DATA OR PROJECTED BENEFITS AND PAST PERFORMANCE DATA

- 14.1 No projected benefits may be included in advertisements, if the benefits depend on future unknown investment performance, unless used to demonstrate the benefits of savings generally.
- 14.2 Any reference to projected benefits, investment performance or returns must clearly reflect the effect that fees and costs may have on actual returns or benefits.
- 14.3 When past investment performance is provided for or referred to in an advertisement—
 - 14.3.1 all information must be accurate and must be provided in the correct context, and the provider must be able to substantiate all claims made; and
 - 14.3.2 a statement must be included that past performance cannot be extrapolated into the future and is not an indication of future performance
- 14.4 If tax advantages are referenced in an advertisement such advantages must be explained, and any key restrictions, penalties, and mitigating circumstances must be disclosed.
- 14.5 Any reference to guaranteed elements or features must indicate whether the guarantee is subject to any requirements and conditions and where disclosure of those requirements and conditions can be found.
- 14.6 Where a financial product comprises participatory interests in an underlying collective investment scheme, or where a financial product provides for investment of client's funds into collective investment scheme portfolios, any advertisement must, in addition to the applicable requirements of this subsection, comply with any determination of advertising and marketing requirements for collective investment schemes made under the Collective Investment Schemes Control Act No. 45 of 2002.

15. REVIEW OF ADVERTS (if applicable)

If an FSP makes use of advertising, all advertising material will be reviewed by Management, including but not limited to the Key Individual, for compliance with the requirements in this policy. External compliance will also request and review all advertising material during the FSP reviews which are conducted on an annual basis.

16. DIRECT MARKETING REQUIREMENTS

A direct marketer must, when rendering a financial service to or on behalf of a client, at the earliest reasonable opportunity furnish the client with the following particulars:

- 16.1 the business or trade name of the direct marketer;
- 16.2 confirmation whether the direct marketer is a licensed financial service provider and details of the financial services which the direct marketer is authorised to provide in terms of the relevant license and any conditions or restrictions applicable thereto;
- 16.3 telephone contact details of direct marketer (unless the contact was initiated by the client);
- 16.4 telephone contact details of the compliance department of the direct marketer;
- 16.5 whether the direct marketer holds professional and indemnity insurance;
- 16.6 if the direct marketer is a representative, the information contained in 14.1-14.3 above must be provided in respect of the provider to which the representative is contracted;
- 16.7 A provider must, on request of the client, make recordings of telephone discussions available to the client;

OWNERSHIP

This policy and internal rules (as it apply) is owned by Curemed Health and Wealth Consultants a duly authorised Financial Services Provider (FSP 44098)

As Key Individual of the aforementioned FSP I, Hagop Jaghlassian hereby confirm the adoption of the policy.

A handwritten signature in black ink, appearing to read 'Hagop Jaghlassian', with a horizontal line drawn through the middle of the signature.

01/07/2024

Key Individual Signature & Date

Hagop Jaghlassian

Full name and surname of Key Individual