



Remuneration Policy (Sales and Other Staff)

Introduction and Purpose

A firm is required to ensure that sales staff, advisers and those providing ancillary investment services are not remunerated in a way that creates incentives for staff to act inappropriately to the detriment of the firm or the client. The purpose of this policy is to encourage responsible business conduct, fair treatment of clients as well as avoiding conflicts of interest in the relationships with clients.

Definition

Remuneration is any form of payment, including salaries, discretionary pension benefits and benefits of any kind.

Application

This policy applies to staff or other relevant persons who can have a material impact on the service provided and/or corporate behaviour of the firm.

Policy

IDAD must not remunerate or assess the performance of its staff in a way that conflicts with its duty to act in the best interests of its clients.

IDAD must not make any arrangement by way of remuneration, sales targets or otherwise that could provide an incentive to its staff to recommend a particular financial instrument to a retail client when the firm could offer an alternative financial instrument which would better suit the client's needs.

IDAD will be mindful of ensuring that its remuneration policy and practices do not lead to a conflict of interest or incentivise its staff to act in a manner that favours their own interests or the firm's interests to the potential detriment of any client or potential client.

The firm will ensure that remuneration and similar incentives will not be solely or primarily based on quantitative commercial criteria. Consequently, the firm will take into account appropriate qualitative criteria (i.e. behavioural measures such as customer feedback) which shall encompass adherence with relevant regulations, fair treatment of clients and the quality of services provided to clients.

IDAD will ensure it always maintains a balance between fixed and variable components of remuneration, so as to mitigate any conflicts of interest between the firm, its staff and its clients.

Procedure

IDAD will implement the following procedures to identify and manage the risk of inappropriate staff behaviour relating to remuneration policies.

Annual Assessment

The firm will formally review remuneration of staff and other relevant persons on at least an annual basis as part of the training and competence assessment process. The firm will use a wide range of information (such as call monitoring in telephone sales, customer feedback) to monitor the sales patterns of individual sales staff in order to analyse trends and any causal links. Particular attention will be paid to top sellers and those posing the greatest risk of mis-selling. The firm will use this to identify what happens in practice, as this may differ from the firm's formal policies and any guidance given to managers. Those carrying out the review will be independent of the sales function within the firm, thereby reducing risk of undue influence by members of the sales team.

Management Approval and Monitoring

Senior management shall be responsible for the implementation of this policy as well as the monitoring of compliance risks associated with it. This policy will be reviewed by the management body at least annually to ensure it continues to remain fit for purpose with the input from the firm's FIC and Compliance Officer.

Records

Individual performance management records will be documented, ensuring that an appropriate proportion are sampled.

Training

The firm will ensure staff to whom this policy relates receive periodic training (unless awareness of a significant issue requires this to be sooner) to ensure staff continue to act in accordance with the criteria stated above.