

Policy on Conflict of Interest with respect to Client Protection Certifications.

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1. Introduction

Prime M2i Consulting Pvt Ltd (M2i) has obtained accreditation from Smart Campaign to conduct Client Protection Certification exercise. As such M2i is a Certification Body (CB) for Smart Campaign's Client Protection Principles.

Client Protection Certification exercises are in the nature of third party assessments. Stakeholders rely on these certifications for taking a view on whether an FI adheres to Client Protection Principles (CPP).

In order to maintain sanctity of the certification process, it is essential for the Certification Body to maintain impartiality and arms length relationship with the FI being certified.

This document defines the M2i's policy on conflict of interest with respect the Client Protection Certification. M2i's policy on conflict of interest is in compliance with Smart Campaign's licensing requirement for Certification Bodies.

2. Conflict of Interest situations

The following may present conflict of interest situation with respect to an FI where the company has to perform Client Protection Certification.

With respect to M2i as an organisation

- Where M2i has undertaken assignments in the nature of advisory (consulting, training, market assessment etc) for the same FI, within 24 months preceding the date of certification agreement between M2i and the FI.
- Where M2i has held substantial equity stake in the FI (defined as more than 10% of paid up equity share capital), within 24 months preceding the date of certification agreement between M2i and the FI.

With respect to the members of the Board of Directors of M2i

- Where one the Board members of M2i has performed assignments in the nature of advisory for the FI, within 24 months preceding the date of certification agreement between M2i and the FI.
- Where one of the Board members of M2i has held substantial equity stake in the FI (defined as more than 10% of paid up equity share capital), within 24 months preceding the date of certification agreement between M2i and the FI.

- Where one of the Board members of M2i has been a member of the Board of Directors of concerned FI, within 24 months preceding the date of certification agreement between M2i and the FI.

With respect to the staff members/consultants employed by M2i

- Where a staff members/consultant employed by M2i has performed assignment in the nature of advisory for the FI, within 24 months preceding the date of certification agreement between M2i and the FI.
- Where a staff members/consultants employed by M2i has held substantial equity stake in the FI (defined as more than 10% of paid up equity share capital), within 24 months preceding the date of certification agreement between M2i and the FI.
- Where a staff members/consultants employed by M2i has been member of the Board of Directors of concerned FI, within 24 months preceding the date of certification agreement between M2i and the FI.

With respect to members of the Client Protection Certification Committee (CPCC) of M2i

- Where a member of CPCC of M2i has performed assignment in the nature of advisory for the FI, within 24 months preceding the date of certification agreement between M2i and the FI.
- Where a members of CPCC of M2i has held substantial equity stake in the FI (defined as more than 10% of paid up equity share capital), within 24 months preceding the date of certification agreement between M2i and the FI.
- Where a member of CPCC of M2i has been a member of the Board of Directors of concerned FI, within 24 months preceding the date of certification agreement between M2i and the FI.

There may be additional situations not listed above which may present a conflict of interest situation. The Board of Directors will take a decision whether such situation presents conflict of interest, on case to case basis.

4. Implications of Conflict of Interest Policy

The table below shows implications of the Conflict of Interest policy.

Conflict of interest situation	Implication
Where conflict of interest is with respect to M2i as an organisation.	M2i will not undertake certification assignment for the concerned FI
Where conflict of interest is with respect to any member of the Board of Directors of M2i.	M2i will not undertake certification assignment for the concerned FI
Where conflict of interest is with respect to	M2i will undertake certification assignment

any staff member/consultant employed by M2i.	but the concerned staff member/consultant will not be part of the certification mission of the concerned FI. He/she will also not be allowed to review certification report or workings.
Where conflict of Interest is with respect to any member of the Client Protection Certification Committee of M2i.	M2i will undertake certification assignment but the concerned member of CPCC will not participate in Certification Committee meeting of the concerned FI.

3. Assessment of Conflict of Interest situation for Client Protection Certification.

The team leader for Client Protection Certifications will assesses conflict of interest issue at the proposal stage itself. In case there is perceived conflict of interest, the potential client will be informed and the company will decline to undertake the Certification. If a conflict of interest situation is detected after the certification process has started, the process will stop when this is detected. In case conflict of interest situation is detected after award of certification, the certificate will need to mention the fact about the conflict of interest.

4. Specific Considerations

The following are the specific considerations with respect to Smart Campaign's Requirements for Certification Bodies (SC 002).

- Training in a public forum is not considered consulting nor is an introductory session such as a 1-day awareness program at the Client’s location.
- Certification Bodies may perform “pre-audits” which is an audit prior to the initial audit that generates non-binding findings, without recommending solutions. The pre-audit report” shall not be considered as part of the initial audit.

5. Associate enterprises/brands

M2i recognizes that the conflict of interest does not go away simply by registering a different organization in a different name, if substantial ownership remains the same. At present, M2i does not have a holding or a subsidiary company or a company which can be called a sister concern. All assignments are undertaken under the legal name “Prime M2i Consulting Pvt Ltd” and under brand names “M2i”, “M2i Consulting” or “M2i Trainings”.

6. Communication of Conflict of Interest policy

M2i’s Conflict of Interest policy with respect to Client Protection Certification will be publicly available.

M2i's conflict of interest policy is also communicated to the clients when they approach the company for Client Protection Certification. In case there is perceived conflict of interest, the potential client will be informed and the company will decline to perform the assignment.

The Conflict of Interest policy will also be communicated to all the employees/consultants at the time of joining, as well as at regular intervals. Conflict of Interest policy is also communicated to all the members of CPCC.

The Board of Directors of M2i will be empowered to assess any potential Conflict of Interest situation. Their decisions will be binding on the respective team leaders.

7. Decisions and responsibility regarding conflict of interest

The directors are responsible for final decisions on any potential or actual conflicts of interest. All employees and consultants are responsible for adhering to the principles and rules set out in this policy. Employees and consultants are responsible for declaring any potential or actual conflicts of interests. CPCC members are also responsible for declaring any potential or actual conflict of interest.