



# **FX-EDGE**

TRADING VENUE

**Compliance Charter**

February 2023



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## **INTRODUCTION**

The compliance charter is a document that incorporates the compliance philosophy of an organisation, which is endorsed by the governing body and which confirms the authority of the compliance function, as well as management's support thereof.

## **COMPLIANCE FUNCTION**

### **Compliance risk**

Compliance risk is the risk of loss of reputation, penalties, fines, civil claims, and/or loss of authorisation by the regulators, which would jeopardise the business of DNKR ZA (Pty) Ltd. If compliance obligations governing the business are breached, the organisation could be fined, the statutory authorisation could be withdrawn, or the officers could be imprisoned. Damage to the organisation's reputation could result in an exodus of clients. Compliance risks are serious and need to be taken seriously and controlled by all staff members of the organisation. This charter aims to set out DNKR ZA (Pty) Ltd approach to managing compliance risks. Further guidance and procedures can be found in the compliance manual.

### **Compliance philosophy**

The principles, standards and guidelines recommended by the Compliance Institute Southern Africa are applied wherever appropriate. These have been formulated to ensure adherence to both regulatory and supervisory requirements. In addition, DNKR ZA (Pty) Ltd takes cognisance of the compliance best practice guidelines and standards issued by the Financial Sector Conduct Authority.

### **Independence**

The compliance function is required to be able to function adequately, independently and objectively. In addition, the compliance function should be able to operate, as regards the internal control structure of the business, in a manner ensuring that no actual or potential conflicts of interest arise with the duties and functions of other staff members and, in particular, the other control functions and with the functions of any representative. To be effective, the compliance function must be and must be perceived to be independent of all areas of the business. To provide for the appropriate independence of the compliance function, the compliance function reports to the board of directors. The compliance function should not have any operational responsibilities which may pose a conflict of interest and impair independent reporting.

## Management support

The compliance function will be permitted direct access to and have demonstrable support from the governing body, namely, the board of directors.

## Authority

To enable the compliance function to discharge its internal and statutory responsibilities, it is necessary that it has the following rights and powers:

- Unrestricted access to all functions, records, and staff members.
- Full and free access to all relevant committees.
- To allocate resources, set frequencies, select subjects, determine scopes of work and apply the techniques required to accomplish compliance objectives.
- To obtain the necessary assistance of staff members where they perform monitoring reviews, as well as from other specialised services from within or outside of the company.
- To direct and require staff members to apply the compliance policy and standards.
- Unlimited access to all business areas within the organisation and to all of the organisation's activities, records, property, staff members and meetings necessary for the diligent performance of its responsibilities. Notwithstanding any considerations of confidentiality, this will include, where appropriate:
  - Access to the agenda and minutes of executive, management and board meetings.
  - Access to reports and correspondence with regulators.
  - Access to external and internal auditor's reports and management letters together with management replies thereto.
  - Access to audit reports involving compliance matters.
  - The right to carry out any compliance or due diligence investigation within the organisation which may be necessary (including, but in no way limited to, investigations into statutory and regulatory breaches and complaints).
  - To be consulted about any proposed business or product developments which may have compliance implications with a concomitant duty upon management to consult with the compliance function accordingly.
  - The right to call for any report from any person on a compliance matter without limitation.

## Remedial action

DNKR ZA (Pty) Ltd depends on its members of staff to actively comply with both the letter and the spirit of the law. Any person failing to comply with internal policies, procedures and other

requirements or who does not actively comply with the letter and the spirit of legislation will be subject to disciplinary procedures that could ultimately lead to their dismissal.

## **COMPLIANCE STRUCTURE**

The fostering of a culture of compliance, as well as optimising relations with regulators, warrants a multi-disciplinary approach that can only be effective once all the relevant role-players actively support the compliance system and its objectives. Therefore, it is imperative that the relations and communication channels between the different role-players are clearly set out in an appropriate structure.

## **COMPLIANCE RESPONSIBILITIES**

### **Introduction**

This section sets out the parties responsible for compliance and lists the core responsibilities of the compliance function and compliance officers.

### **The board of directors and executive management**

The responsibility for managing the business rests with the board of directors. Accordingly, the board is responsible for compliance with statutory, regulatory, supervisory and best practice requirements and are liable for the consequences of non-compliance.

The board delegate authority to the compliance function to ensure that the compliance process is running effectively and that there is adherence to statutory, regulatory, supervisory and best practice requirements. The board is, however, ultimately responsible for compliance.

### **The compliance function and compliance officer/s**

The primary role of the compliance function and compliance officer/s is to assist with, enable, facilitate, and monitor the effective management of the compliance risk by the organisation by:

### **Setting policies and standards for compliance**

Providing advice on compliance related matters, including assisting with due diligence investigations, etc. Designing and, once agreed and approved by the governing body, implementing the compliance section of the risk management framework:

- Identifying the compliance universe;
- Compiling a compliance manual with sufficient references to relevant operational controls, procedures, policies and operating manuals;
- Establishing and maintaining a compliance culture, in conjunction with management which contributes to the overall objective of prudent risk management of the company;
- Monitoring the level of compliance on an on-going basis;
- Establishing and maintain working relationships with relevant stakeholders;
- Providing assistance to minimise the damage to the reputation and/or image of the organisation in cases where material transgressions occur;
- Promoting a compliance culture through effective training programmes;
- Reporting to board, audit committee, risk and compliance committee, line management and regulators as required;
- Attending to recommendations/requests from board, audit committee, operational risk committee, line management and regulators;
- Facilitating the maintenance of a complaints register in accordance with compliance obligations.