



**CEC GROUP LIMITED**  
**ABN 84 010 025 831**

**RELATED PARTIES GUIDANCE NOTE**

**DATE: 25 JUNE 2009**

**CEC GROUP LIMITED**  
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**RELATED PARTIES GUIDANCE NOTE**

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**RELATED PARTIES GUIDANCE NOTE**

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**1. GUIDANCE NOTE PURPOSE**

CEC Group is committed to upholding the values and behaviour outlined in the Company's "Code of Conduct" including complying with all applicable laws and practices.

This document sets out guidance both current CEC Group practice with respect to transactions with related parties and generally on transactions with related parties and conflicts of interest.

**Current CEC Group practice**

CEC Group practice is currently to consider the relationship of parties dealing with CEC Group and whether they are "related parties" (as defined).

All transactions with related parties must be at arms length and in any event, arms length terms provide the best opportunity for ensuring that the best value, subject to quality criteria, is obtained thereby optimising the financial performance of the company.

The basic principles reiterated at the Board meeting held on 30 April 2009 are as follows:

- ▲ If it is a circumstance that is commonly priced by tender it should go to tender.
- ▲ If this is a notoriously public price for example interest rates we should be able to work out what market interest rates are relevant to us.
- ▲ When it is not one of the above we should seek an opinion from the Independent Chairman of the Audit Committee.

Changes to current practice are not envisaged at this point in time.

**Further guidance**

Further guidance is attached as Appendix B is a Guidance Note on Related Party Transactions. This document has been issued by the Investment and Financial Services Association and is provides detailed comment on transactions with related parties and conflicts of interest.

**2. LEGISLATIVE PURPOSE**

The purpose of the legislation in this area is to protect the interests of a public company's members by requiring member approval for giving financial benefits to related parties that could endanger those interests.

**Member approval**

For a public company or an entity it controls to give a financial benefit to a related party it must have member approval and must give the benefit within 15 months of that approval. There are exceptions for certain financial benefits.

**3. BRIEF DEFINITION OF A RELATED PARTY**

A company that controls the company; directors and spouses of both company and controlling company; parents and children of directors and spouses; any of the aforementioned if a related party within the previous six months; anyone that management would reasonably expect to be a related part at any time in the future; a company acting in concert with a related party on the understanding that the related party will benefit.

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**4. CONSEQUENCES OF CONTRAVENTION**

If this law is contravened the validity of a contract or transaction connected with the giving of the benefit is not affected and the company is not guilty of an offence. But a person will commit an offence if they are involved in a contravention and the involvement is dishonest. The penalty is currently a fine of up to \$200,000.00 or imprisonment for 5 years or both.

A court may order an injunction to stop the company giving the benefit to the related party.

**5. EXCEPTIONS**

A public company does not need approval in the following circumstances

- ▲ Financial benefit would be reasonable in the circumstances if the public company and the related party were dealing at arm's length or are less favourable than that.
- ▲ The benefit is remuneration and reimbursement to a related party as an officer or employee of the company, its parent or subsidiary and the giving is reasonable given the circumstances of both parties. Provision for superannuation, obtaining superannuation benefits and termination payments are considered to be remuneration.
- ▲ Indemnities, exemptions, insurance premiums, in respect of liability incurred as an officer and payment for permitted legal costs for officers in defending an action for liability incurred as an officer as long as all are reasonable in the circumstances of the company.
- ▲ The giving of small amounts (less than \$2000.00) to a director or spouse of a director.
- ▲ Benefit to a closely held subsidiary or vice versa.
- ▲ Benefits to a related party in their capacity as a member as long as it does not discriminate unfairly against other members.

**6. EXAMPLES OF FINANCIAL BENEFITS**

- ▲ Giving or providing finance or property;
- ▲ Buying assets from or selling to Related Party;
- ▲ Leasing asset from or to Related Party;
- ▲ Supplying services to or from Related Party;
- ▲ Issuing securities or granting option to Related Party;
- ▲ Taking up or releasing an obligation of the Related Party.  
(Such as forgiving debt or liabilities)

**7. TRANSACTIONS WITH PERSONS IN A POSITION OF INFLUENCE ASX LISTING RULE 10.**

Regards should be had to ASX Listing rule 10 when considering a related party transaction. It is possible in some circumstances that a transaction will require consideration of both chapter 2E and Listing Rule 10.

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**7.1 Purpose**

Listing Rule 10 deals with transactions between an entity ("company") (including child entity) and persons in a position to influence the entity. Transactions covered by this rule include acquiring and disposing of substantial assets by the company and acquiring shares in the company. The rule also applies to put and call options in the same way.

**7.2 Member approval**

10.1 A company must ensure that neither it nor any of its child entities acquire a substantial asset from or disposes of a substantial asset to any of the following without approval of the shareholders:

- (1) A related party;
- (2) A subsidiary;
- (3) A substantial holder if he and associates have a relevant interest (or did at any time in six months before the transaction) in at least 10% of the total votes attached to voting shares;
- (4) An associate of any (1), (2) or (3);
- (5) Any person whose relationship set out in (1), (2), (3), (4) is such that in the opinion of ASX the transaction should be approved by the shareholders.

**7.3 Substantial Asset**

An asset is substantial if its value or the value of the consideration for it is 5% or more of the equity interests of the company.

**7.4 Exceptions**

- (1) A transaction with wholly owner subsidiary
- (2) A transaction between wholly owned subsidiaries of the company
- (3) Issue of shares by the company for cash
- (4) A transaction between a company and someone who the company believes is likely to become a related party

**7.5 Acquisitions of securities in the company**

A company cannot issue securities to a related party (includes a person whose relationship with the company or a related party is, in ASX's opinion, such that approval should be obtained) unless:

- ▲ Shares received under a pro rata issue;
- ▲ Shares received under an underwriting agreement in relation to pro-rata issue
- ▲ Shares received under dividend or distribution plan
- ▲ Shares received under approved employee incentive plan
- ▲ Shares received under off market bid or merger
- ▲ • The related party becomes a related party because of the issue
- ▲ • Shares received on conversion of convertible shares

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- ▲ • An issue of shares under a share purchase plan (conditions apply)
- ▲ • An issue of shares under an agreement to issue shares

The company cannot issue shares to directors or associates of directors under an employee incentive scheme without approval of shareholders.

The company cannot increase directors' fees without approval of the shareholders. This does not apply to salaries of Executive Directors.

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Chairman: CEC Group Limited Board of Directors

Date:

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Chairman: CEC Group Limited – Audit and Risk Management Committee

Date:

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**APPENDIX A**  
**HELPFUL DEFINITIONS**

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**1 Subsidiary**

A company is a subsidiary of another body if, and only if:

- (i) the other body controls the composition of the subsidiary's board; or
- (ii) the other body is in a position to cast, or control the casting of more than half the votes at a general meeting of the subsidiary; or
- (iii) the other body holds more than half the issued share capital of the subsidiary; or
- (iv) the subsidiary is a subsidiary of a subsidiary of the company.

**2 Control of a company's board**

The composition of a company's board is taken to be controlled if the other body, by exercising a power exercisable (whether with or without the consent of any other person) by it, can appoint or remove all, or the majority, of the directors of the company, and the other body is taken to have power to make such an appointment if:

- (i) a person cannot be appointed as a director of the company without the exercise by the other body of such a power in the person's favour; or
- (ii) a person's appointment as a director of the company follows necessarily from the person being a director or other officer of the other body.

**3 Child entity**

In relation to a company:

- (i) a company which is controlled by another within the meaning of the previous definition;
- (ii) a company which is a subsidiary of another.

**4 Substantial Holder**

A person has a substantial shareholding in a company if:

- (i) the total votes attaching to voting shares in the company, in which they or their associates;
  - (a) have relevant interests; and
  - (b) would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements"; is 5% or more of the total number of votes attached to voting shares in the company); or
- (ii) the person has made a takeover bid for the voting shares in the body and the bid period has started and not ended.

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**HELPFUL DEFINITIONS**

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**5 Relevant interest in shares**

A person has a relevant interest in shares if they:

- (i) are the holder of the shares;
- (ii) have power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the shares.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

**CEC GROUP LIMITED**  
**ABN 84 010 025 831**

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**APPENDIX B**

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## **Related Party Transactions**

**July 1999**

**Main features of this Guidance Note are:**

- **to specify the principles to be adopted in relation to the conduct of a Related Party Transaction between a Scheme and a party related to the Scheme or in Scheme interests by, or on behalf of, a Related Party;**
- **to provide guidance in the interpretation and application of those principles;**
- **to standardise the practices and procedures relating to the conduct of Related Party Transactions; and**
- **to specify the basis of proper disclosure of such Related Party Transactions.**

# IFSA Guidance Note No. 8.00

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# IFSA Guidance Note No. 8.00

## 1 Title

1.1 This Guidance Note may be cited as IFSA Guidance Note No. 8.00 'Related Party Transactions'.

## 2 Guidance Note and Commentary

2.1 The guidelines set out in this Guidance Note are shown in bold print. Commentary is shown in normal print immediately after the guideline to which it relates, as an aid to interpretation of the Guidance Note.

## 3 Date of Issue

3.1 19 July 1999

## 4 Effective Date

4.1 This Guidance Note should be applied in relation to a member's operations on or after 1 August 2000. Earlier application of this Guidance Note is permitted and encouraged.

## 5 Application

5.1 This Guidance Note should be applied by the Operator of a Scheme (whether offered for public subscription or otherwise) in relation to that Scheme.

5.2 Where there is a conflict between the requirements of this Guidance Note, applicable legislation, and the constitution of a Scheme, the requirements of this Guidance Note should, having regard to the purpose of the Guidance Note, be modified appropriately so that, as far as is practicable, the Operator complies with the requirements of this Guidance Note.

## 6 Statement of Purpose

6.1 The purpose of this Guidance Note is:

- to specify the principles to be adopted in relation to the conduct of a Related Party Transaction between a Scheme and a party related to the Scheme or in Scheme interests by, or on behalf of, a Related Party;
- to provide guidance in the interpretation and application of those principles;
- to standardise the practices and procedures relating to the conduct of Related Party Transactions; and
- to specify the basis of proper disclosure of such Related Party Transactions.

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## **6.1.1 IFSA considers that the nature and extent of Related Party Transactions is information that prospective and existing Investors in a Scheme would reasonably expect to be disclosed. Knowledge of the nature and extent of Related Party Transactions and the relationship between the transacting parties may affect the perceptions of a Scheme held by Investors and others.**

It should be noted that the matters discussed in this Guidance Note are the subject of a number of legal requirements, some of which are applicable to the operation of public companies, whilst others are relevant only to Schemes.

Accordingly, where there are points of law at issue or there are relevant Industry Standards, including Accounting Standards, it is of critical importance that Operators obtain appropriate and timely advice.

## **7 Application of Materiality**

### **7.1 Failure by a Scheme Operator to adopt or implement this guidance note is material if such failure has the potential to adversely affect the confidence of Investors, prospective Investors, other Scheme Operators, and other interested parties involved in the investment funds industry.**

## **8 Definitions**

8.1 In this Guidance Note:

- 'Associate' has the same meaning as in IFSA Guidance Note No. 5.00 'Industry Terms and Definitions';
- 'Investors' means those persons, whether they be natural persons or not and including responsible entities, managers and trustees, in whose name an interest in a Scheme may be registered from time to time;
- 'Operator', in relation to a Scheme has the same meaning as in IFSA Guidance Note No. 5.00 'Industry Terms and Definitions';
- 'Related Party' has the same meaning as in IFSA Guidance Note No. 5.00 'Industry Terms and Definitions';
- 'Related Party Transaction' has the same meaning as in IFSA Guidance Note No. 5.00 'Industry Terms and Definitions'; and
- 'Scheme' has the same meaning as in IFSA Guidance Note No. 5.00 'Industry Terms and Definitions'.

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## 9 General Principles

### 9.1 Related Party Transactions

9.1.1 Related Party Transactions occur in the managed investments, superannuation and life insurance industries. In the vast majority of cases they are either beneficial or at least neutral as far as the interests of Investors are concerned. However, there is the potential for abuse and the topic requires considerable attention. A Related Party Transaction may expose a Scheme to costs, risks and opportunities that would not have existed in the absence of the relationship. Related Party relationships may, therefore, have a material effect on the performance, financial position, and financing and investing of a Scheme.

### 9.2 Why is disclosure important?

9.2.1 Disclosure of a Related Party Transaction allows prospective and existing Investors and others to better understand the effects of the Related Party Transaction on the Scheme, and provides an opportunity to assess situations which could give rise to a conflict of interest. Full disclosure should include disclosure in a Scheme's offer or other documents of prospective and on-going Related Party Transactions, in addition to disclosure of completed Related Party Transactions in the financial reports of the Scheme.

9.2.2 Proper disclosure of Related Party Transactions assists the transparent operation of a Scheme by describing and defining the effect of Transactions subject to conflicts of interest between a Related Party and a Scheme.

9.2.3 **Although a Related Party Transaction may give rise to a conflict of interest, such a Related Party Transaction might not be prohibited under the Law provided the Related Party Transaction is entered into in the best interests of Investors. The existence of a general obligation for Operators to act in the best interests of Investors generally means that Operators should ensure that Related Party Transactions are conducted at arm's length and on a commercial basis and not to diminish or endanger the Scheme's property. An Operator should achieve 'best execution' for the interests of the Scheme and act independently of any other affiliations.**

9.2.4 **Accordingly, whilst recognising that each IFSA member's precise legal position may differ, IFSA considers that prospective and existing Investors in a Scheme should be adequately informed of any significant Related Party Transactions (eg. outsourcing the unit pricing to a Related Party) carried out or proposed to be carried out by the Operator of that Scheme. Consideration must be given to the need for the Operator to issue a specific notice informing existing Investors and others of the occurrence of the Related Party Transaction and the action proposed to be undertaken by the Operator.**

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## 9.3 The legal position

9.3.1 **The Corporations Law (“Law”), Australian Accounting Standards (“Standards”), the *Superannuation Industry (Supervision) Act 1993 - Section 153 Determination (“Determination”), the Life Insurance Act 1995 (“Life Act”) and the Income Tax Assessment Acts 1936 and 1997 (as amended) (Income Tax Act) (referred to collectively as the Relevant Legislation) all deal with Related Party Transactions, and IFSA members will, of course, need to observe these where applicable. IFSA strongly recommends that members seek specific legal advice as to the application of the Law, the Standards, the Determination the Life Insurance Act and the Income Tax Act to their circumstances. In particular, the Law and the Standards are directed at companies and their application requires careful interpretation.***

9.3.2 IFSA members should be aware that the Constitutions and Governing Rules for their Schemes may also contain restrictions or other provisions concerning Related Party Transactions.

9.3.3 Operators are generally subject to certain obligations and fiduciary responsibilities under the Relevant Legislation to act in the best interests of Investors.

9.3.4 The procedures for entering into a Related Party Transaction should be adequately documented to clearly evidence the due diligence carried out by the Operator. Each Related Party Transaction should be properly documented and disclosed.

## 9.4 Definition of Related Party

9.4.1 Whilst it is not currently possible to precisely define who might be a “Related Party” in the context of a Scheme, IFSA considers that the definition of a Related Party of a public company in Part 2E.2A of the Law (especially section 243F) serves as a useful guide.

The categories of related parties could include:

- the Operator, the trustee or their agents of the Scheme;
- a related body corporate of the responsible entity or trustee;
- an Associate of the Operator or the trustee (ie a director or secretary of the Operator or trustee or of their related bodies corporate);
- a parent, spouse, child or other close relative of a director or secretary of the Operator or trustee (or of their related bodies corporate); and
- an entity over which any of the person mentioned above exerts significant control or significant influence.

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9.4.2 IFSA notes that Operators are required to comply with the reporting standards set out in AASB1017: “Related Party Transactions” and AAS22: “Related Party Transactions”.

### 9.5 What needs to be disclosed?

9.5.1 **IFSA recommends that its members should disclose all Related Party Transactions, which would involve the conferring of a material financial benefit on/from a Related Party.**

9.5.2 **It is reasonable that Investors in a Scheme are advised that an Operator intends that the Scheme enter into, or has completed Related Party Transactions which confer a material financial benefit to/from a Related Party.**

9.5.3 Guidance as to the meaning of a “financial benefit” can be found in section 243G of the Law. Section 243G provides that in deciding whether a financial benefit is given the economic and commercial substance of the Related Party Transaction should prevail over its legal form. Also, the consideration given by the Related Party in return for receiving the benefit should be disregarded in establishing what needs to be disclosed, but of course is significant in justifying Related Party Transactions. Essentially, IFSA’s members should have regard to the substance of their dealings rather than to their form.

9.5.4 For additional guidance, six examples of the giving of a financial benefit are provided in Section 243G(4):

- acquiring or supplying services;
- lending money, guaranteeing or providing security for a loan;
- forgiving a debt or releasing or not enforcing an obligation;
- selling or leasing assets;
- issuing securities or granting options; or
- giving money or property.

9.5.5 It should be noted that this Guidance Note is designed to ensure that the assets of the Scheme are applied only for the benefit of the existing Investors in that Scheme. This means that, in general, the Guidance Note is concerned with the payment or receipt of financial benefits that relate to goods or services or both to a Related Party that:

- come out of the Scheme property;
- could diminish or endanger the Scheme property; or

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- could adversely affect those interests.

### 9.6 Application of Materiality

9.6.1 This Guidance Note applies to a Related Party Transaction, which confers a material financial benefit on the Related Party. The IFSA considers that the “materiality” of a financial benefit will differ depending on a number of factors, including:

- the magnitude of the benefit;
- the financial impact on the Scheme (e.g. the proportion of the Scheme’s assets affected by the Related Party Transaction); and
- the number and frequency of Related Party Transactions with one or more Related Parties.

9.6.2 Therefore, in determining whether an individual event or an aggregate of events would be considered material, both the amount and the nature of the event must be considered. An event may not be material in amount, but be considered to be material in nature and therefore, must be disclosed to Investors. In addition, the Accounting Standards require disclosure of transactions involving directors and their director related entities, as these transactions are considered to be material because of their nature.

### 9.7 Application to Associates

9.7.1 IFSA members should ensure that an Associate is aware of the matters set out in this Guidance Note before the IFSA member recommends investing the Scheme’s assets in a Scheme managed by the Associate.

### 9.8 Inconsistencies

1.1.1 Where there is an inconsistency between any matter set out in this Guidance Note and Relevant Legislation, the Listing Rules of the Australian Stock Exchange or the Scheme’s Constitution or Governing Rules, the matters set out in this Guidance Note are not intended to apply to the extent of the inconsistency.

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## 9.9 Principles Applicable to Related Party Transactions

9.9.1 **An Operator should, prior to initiating, and during the term of an agreement governing, a Related Party Transaction, ensure that such a Transaction meets and continues to meet the following criteria:**

- **it should be in the best interests of potential and existing Investors as a whole;**
- **it should be fair value and be reasonable;**
- **it should be properly documented; and**
- **it should be appropriately disclosed.**

9.9.2 Maintenance and retention by the Operator of proper documentation relating to and recording of the Related Party Transaction allows a Related Party Transaction to be scrutinised by regulators and others. Such documentation should be readily accessible to regulators and other interested parties.

## 9.10 Application of Principles relating to Related Party Transactions - Transactions between a Scheme and a Related Party to a Scheme

9.10.1 **A Related Party Transaction (either as principal or as agent) between a Scheme and a party related to the Scheme should be demonstrably conducted in the best interests of Investors as a whole.**

9.10.2 Examples of Related Party principal Transactions include, but are not limited to the following:

- The purchase and sale of Scheme interests by a Related Party (refer clause 9.13);
- the rental by a Related Party of real property owned by a Scheme;
- the acquisition of investments from - or the disposal of Scheme assets to - a Related Party;
- the provision of credit facilities to a Scheme by a Related Party;
- the provision of investment management services to a Scheme by a Related Party; and
- the provision of Administration Services, such as unit pricing or Scheme accounting, to a Scheme by a Related Party.

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9.10.3 Examples of Related Party agency Transactions include, but are not limited to the following:

- an investment Transaction made on behalf of a Scheme executed by an agent, such as a stockbroker, who is a Related Party to the Operator;
- the management of real property owned by a Scheme by a licensed real estate agent who is a Related Party to the Operator; and
- the completion of foreign exchange Transactions on behalf of a Scheme by a bank which is a Related Party to the Operator.

9.10.4 The general obligation to act in the best interests of Investors means that the Operator is required to ensure that principal and agent Transactions with a Related Party are conducted at arm's length and on a commercial basis or better. In originating such a Related Party Transaction, the Operator should maintain appropriate records to justify such Transaction, the price, and any other terms and conditions upon which the Related Party Transaction was entered into. This should, for example, include the rationale for the Related Party Transaction as well as details of the terms upon which the Related Party Transaction was made. The records must be similar to those maintained for transactions with non-related parties. A report by an independent party as to the reasonableness of the price and any other terms and conditions upon which a Related Party Transaction has occurred may be appropriate in certain circumstances.

### 9.11 Reimbursable expenses

9.11.1 **In accordance with the Constitution or Governing Rules of a Scheme, an Operator may be entitled to reimburse itself for specified expenses incurred in relation to the operation of the Scheme. Where such reimbursable expenses are incurred, the amount reimbursed should be no more than that which would be payable by a Scheme for a similar Transaction conducted on an arm's length, commercial basis by a non-related party to the Scheme.**

9.11.2 **Where a party provides services provided to a Scheme related to the Scheme, the amount of a reimbursable expense may incorporate an amount representing an allocation of overheads. Such allocations are, at least in part, subjective. IFSA's members should ensure that the method of allocation of overhead expenses included in an amount reimbursed from the assets of a Scheme is fair and reasonable, and is properly documented. It may be appropriate for an Operator to obtain an independent third party review of the basis and terms upon which an amount of reimbursable expenditure is calculated.**

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9.11.3 An amount of reimbursable expense incurred in relation to more than one Scheme may be required to be apportioned among several Schemes. The methodology adopted to determine the apportionment of such expenses among those Schemes should be fair and reasonable, and properly documented. An independent review of the basis of apportionment may also be appropriate.

### 9.12 Soft dollar arrangements

9.12.1 **Soft dollar arrangements in relation to a Scheme should be of demonstrable benefit to the prospective or existing Investors and should be properly disclosed. Soft dollar arrangements may arise where a Related Party receives services from another entity in return for an undertaking to place business on behalf of a Scheme with the provider. The services provided are generally of a type which will benefit the Operator by allowing it to provide a better service itself, and for which the Scheme derives no direct cash payment.**

9.12.2 **To maintain transparency in the operations of a Scheme, IFSA's members should ensure that a soft dollar arrangement complies with the IFSA Guidance Note No. 10.00 'Soft Dollar Dealing'.**

### 9.13 Application of Principles relating to Related Party Transactions – Transactions in Scheme Interests by a Related Party

9.13.1 **Investment in a Scheme by a Related Party should be for bona fide investment purposes.**

9.13.2 **Unless the nature of a Scheme involves short term investment, investment in a Scheme by a Related Party should be for a period of time similar to that expected by the Operator of a non-Related Party in that Scheme, and should be determined in relation to the bona fide investment objectives of the prospective or existing Investor.**

9.13.3 While the price at which a Related Party Transaction of interests in a Scheme is evaluated is determined in accordance with the Constitution or Governing Rules of a Scheme and in accordance with IFSA Standard No. 8.00 'Scheme Pricing', there may be benefits of investment in interests of a Scheme that are not reflected in the price at which those interests are transacted.

9.13.4 The timing of a Related Party Transaction in Scheme interests by a Related Party may also confer a short-term advantage to the Related Party. For example, an income distribution payable by a Scheme may be 'bought' at the expense of a fall in the capital value of the investment purchased.

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9.13.5 Further, a Related Party, especially an Operator, may have knowledge in relation to the Scheme that is not generally available to others. For example, knowledge of aggregate sales and redemptions of Scheme interests may provide an indication of the level of realised capital gains to be distributed by the Scheme and a prospective revaluation of Scheme assets may not be reflected in the price at which interests in a Scheme are transacted.

**In considering the above issues, IFSA members should be aware of regulations relating to insider trading and should have in place appropriate policies in relation to staff dealings (such as those incorporated within the IFSA Guidance Note No. 7.00 'Personal Trading'.**

**9.14 The terms and conditions under which a Related Party Transaction in Scheme interests is entered into should be no more favourable than the terms and conditions that would be available to a non-Related Party transacting a similar transaction.**

**9.14.1 An Operator should ensure that no preference is given to a Related Party who enters into a Related Party Transaction in Scheme interests, which would be to the detriment of the existing Investors in the Scheme. In particular, no priority of treatment in relation to a disposal of interests in a Scheme should be offered to a Related Party.**

9.14.2 In view of the sensitivity of Related Party Transactions between a Scheme and a Related Party, it may be appropriate for a member to obtain an independent review of the Related Party Transaction prior to its initiation. In any event, there should be proper documentation relating to the basis under which the Related Party Transaction was entered into.