



**CONFLICTS OF INTEREST  
& RELATED PARTY  
TRANSACTIONS POLICY**

## **1.0 Introduction**

This Policy provides the framework for the Sugar Insurance Fund Board (SIFB) to effectively identify, evaluate, disclose and manage potential, actual or perceived conflict of interest as well as related party transactions which may arise in relation to the activities of the Institution. The personal interests of a Director must not take precedence over those of the Institution and its stakeholders. Any Director appointed on the Board of the Sugar Insurance Fund should recognise that their duty and responsibility as a Director is always to act in the best interests of the Institution.

This policy aims at guiding the Board and individual Directors on conflict of interest situations.

## **2.0 Governance**

The Board is ultimately responsible for developing appropriate policies on conflict of interest and related party transactions and exercises this responsibility via the Corporate Governance Committee.

The Corporate Governance Committee shall be responsible to address questions pertaining to conflict of interests and related party transactions and thereafter report to the Board on such matters.

## **3.0 Definition of Conflict of Interest**

Conflicts of interest may result in:

- a) Inappropriate financial gain, either directly or indirectly, to the interested person;
- b) Decisions or actions that are not in the interests of the Institution;

A Director should make a best effort to avoid conflicts of interest or situations where others might reasonably perceive there to be a conflict of interest. Conflicts of interest can involve financial or non-financial interests.

Where a conflict of interest arises or may arise, a Director must disclose the conflict to the Board. On declaring its interest, the Director concerned should not be present during that part of the meeting in which the conflict or potential conflict is discussed.

## **4.0 Definition of Related Party Transaction**

Related -party transactions include transactions between the Institution and any Director, executives, stakeholders or companies owned or controlled by a Director. Related Party Transactions are also sources of conflicts of interests.

In terms of the International Public Sector Accounting Standards (IPSAS), IPSAS 20 sets disclosure requirements to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its statement of financial position and statement of financial performance may have been affected by the existence of related party transactions and outstanding balances with such parties.

## **5.0 Disclosing and Managing Conflict of Interest & Related Party Transactions**

Upon appointment, each Director shall make a full, written disclosure of interest which will be handed over to the Secretary of the Board who will be responsible for maintaining a register.

It is the responsibility of each Director to ensure that any interest is reported to the Secretary of the Board, for the latter to record same in the conflicts of interest register. Full and timely disclosure of any conflict or perceived conflict, must be made to the Board.

In the course of meetings, Directors shall instantly after becoming aware of the fact that he is in a situation of conflict in any item of the agenda, disclose same to the Board / sub-Committees of Board and cause same to be recorded in the interests register. If in doubt, the perceived conflict must be declared and clarification sought.

If any question arises before the Board / sub-Committees of Board as to the existence of a real or perceived conflict, the Board / Sub Committees should, by majority, determine if a Conflict or Related Party Transactions exists. Director(s) potentially in the conflict of interest situation or related party transaction shall not participate in any discussion/decision of the issue.

Disclosure by a Director of a real, potential or perceived conflict of interest or related party transaction should also be recorded in the minutes of proceedings of the said meeting.

## **6.0 Disclaimer**

The purpose of this Policy is to provide guidance on the practice to be followed in respect of conflict of interests and related party transactions and should not, at any point in time, be considered as providing any exemption to the applicable laws.

## **7.0 Review of Policy**

The Board may review this Policy as and when required to determine whether it is effective in ensuring accurate and timely compliance with the relevant laws of Mauritius.

*13 September 2022*