SFIA Wealth Management Ltd (SFIA)

MIFIDPRU Disclosure

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Version	Date	Content and reason for changes	Author
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1. Introduction

SFIA, the ("Firm" or "we") is a MIFID investment firm authorised and regulated by the Financial Conduct Authority (FCA). We are required to comply with the disclosure requirements under the Investment Firms Prudential Regime (IFPR), which is set out in the FCA Handbook MIFIDPRU 8. This supersedes the previous Pillar 3 disclosure.

For the purpose of prudential regulations, we are classified as a SNI (small and non-interconnected) firm and are subject to the basic requirements. We are required to provide a level of detail in our disclosures that is appropriate to our size and internal organisation, and to the nature, scope, and complexity of our activities.

The following sections of the MIFIDPRU disclosure rules apply to us:

- MIFIDPRU 8.1 – Disclosure
- MIFIDPRU 8.6 – Remuneration policy and practices

2. Remuneration

The Firm is required to comply with the MIFIDPRU Remuneration Code under IFPR, which aims to ensure that we have risk-focused remuneration policies that are consistent with and promote sound and effective risk management in the long-term interests of the Firm and our customers and do not expose the Firm or our clients to excessive risk.

2.1. Our approach and objectives

We have formulated our approach in remuneration policy and practices with reference to the guidance set out by the FCA. We consider the appropriate balance between fixed and variable remuneration as well as the constraints in place to avoid a conflict of interest between staff incentives and the best interests of customers.

The objectives of our financial incentives are to:

- promote sound and effective risk management in the long-term interests of the Firm and our customers;
- limit risk-taking and avoid conflicts of interest
- ensure alignment between risk and individual reward
- supporting positive behaviours and healthy firm cultures
- encourage responsible business conduct
- discourage behaviour that can lead to misconduct and poor customer outcomes
- align employee's interests with the firm's long-term strategy and objectives
- be gender neutral, in line with the Equality Act 2010.

2.2. Governance and decision-making procedures

The Board of the Firm is responsible for overseeing the implementation of our remuneration policy and ensuring our compliance with the MIFIDPRU Remuneration Code.

The Board is represented by the Managing Director, Chris Procter and a Financial Adviser Director, Glen Neagle, and is supported by members of the management team who work in SFIA in a variety of roles to help advise and assess the requirements

One of the objectives is to ensure that the variable remuneration at the Firm does not affect the Firm's ability to ensure a sound capital base. The board of directors of the Firm is responsible for overseeing the performance management process; reviewing and approving the remuneration policy, variable remuneration pool and caps, eligibility of participation in variable remuneration schemes, as well as the approval of variable remuneration awarded to individuals.

We assess our staff members under our performance management process on an ongoing basis with an annual performance assessment outcome being used as a contributing factor in the determination of remuneration.

The remuneration of senior staff in risk management and compliance functions is directly overseen by the directors of the Firm. Any remuneration to staff with control functions is awarded according to objectives linked to their functions and remains independent from the business units they oversee.

No variable remuneration is awarded to members of the management body who do not perform any executive function in the Firm.

2.3. Key characteristics of remuneration policies and practices

The Firm's remuneration policy has been created and is reviewed annually.

The remuneration policy's aims are to promote sound and effective risk management, to encourage responsible business conduct, to limit risk-taking and avoid conflicts of interest, to align employee's interests with the firm's long-term strategy and objectives, and to be gender neutral, in line with the Equality Act 2010.

The policy is designed to align risk and reward, to ensure the capital base of the firm is not put at risk by its remuneration incentives.

The remuneration policy has been developed based on a number of key principles which are:

- Remuneration aligned to the Firm's business drivers, corporate vision and strategic priorities.
- Remuneration results which support a positive employment culture and customer values.

Total reward typically comprised a salary and benefits including pension scheme, together with a number of bonus or profit-sharing arrangements. Salaries are set in the context of affordability, external market considerations as well as internal relativities and equal pay factors.

2.4. Fixed remuneration

Base Salary

We review the base salary our staff members on an annual basis by considering factors such as market information and individual performance..

2.5. Variable remuneration

Bonus

The Firm's bonus scheme is a discretionary reward scheme based on the performance of the Firm as well a individual performance of roles.

Bonuses will be adjusted as deemed necessary in consideration of the following:

- Any compliance or regulatory issues that have occurred or are under investigations internally or externally
- Any persistent or significant breaches in either financial or non-financial KPI's
- Any conduct related matters that have occurred or are under investigation internally or externally
- Any matters that adversely impact client outcomes
- Any other factors that may publicly impact the Firm's brand or reputation.

Guarantees

We acknowledge non-performance-related variable remuneration, such as sign-on bonus, buy-out award, retention award and severance pay, may weaken the alignment of risk and award.

We may award the following remuneration if it does not become common practice:

- Sign-on bonus: only in the first year of service of the newly hired employee where the firm has a strong capital base.
- Buy-out award: involves the Firm compensating a new employee for reduced, revoked, or cancelled variable remuneration by the previous employer
- Retention award: this is dependent on an employee remaining in role until the end of a restructuring or a wind-down of the firm, and / or in other extraordinary circumstances in order to protect the business.
- Severance pay: in case of early termination of the employment contract, the Firm retains the ability to make severance payments as long as they reflect the individual's performance over time and do not reward failure or misconduct.

2.6. Quantitative disclosures

For the financial year ended 31 December 2023 the amount of remuneration awarded was as follows:

Total remuneration *(£)*	Fixed proportion *(£)*	Variable proportion *(£)*
£1,600,420	£1,543,658	£56,762

In addition we paid out £374,043 to self employed contractors.