

## CONFLICTS OF INTEREST POLICY

Fidelis Capital Markets Limited (FCM) is a Company in Saint Vincent and the Grenadines incorporated under Section 14(3) of the International Companies Business Act with no 24163 IBC 2017. FCM wants to provide its clients and potential clients with a summary of its Conflicts of Interest Policy (hereinafter the "Policy").

FCM is committed to act honestly, fairly and professionally and in the best interests of its clients and to comply, in particular, with the principles set out in the above legislation when providing investment services and other ancillary services related to such investment services.

FCM provides herein a summary of the Policy we maintain in order to manage conflict of interest in respect of the duties we owe to our clients.

### SCOPE

The Policy applies to all its directors, employees, any persons directly or indirectly linked to FCM (hereinafter called "related persons") and refers to all interactions with all clients. The Policy is addressed to Retail Clients.

### SERVICES

"Conflicts of Interest" may, by way of example, occur within the context of:

1. The investment services and or ancillary services, or any combination thereof provided by the company to its clients and in which possible "Conflicts of Interest" may arise, are the following:

### INVESTMENT SERVICES

- ☐ Reception and transmission of orders in relation to one or more financial instruments
- ☐ Execution of orders on behalf of Clients

### ANCILLARY SERVICES

- Safekeeping and administration of financial instruments, including custodianship and related services
- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- Foreign exchange services where these are connected to the provision of investment services
- Investment research and financial analysis or other forms

2. Inducements in connection with the investment services and or ancillary services, or any combination thereof provided by the company to its clients
3. Performance-related remuneration paid to the Company's staff and intermediaries in connection with investment services and or ancillary services, or any combination thereof provided by the company to its clients
4. Inducements granted to the Company's staff and intermediaries investment services and or ancillary services, or any combination thereof provided by the company to its clients
5. The Company's relationship with issuers of financial instruments
6. The preparation of financial analysis on securities offered for sale to the Company's Clients
7. Access and use of information obtained by the Company or the staff of the Company which is not in the public domain
8. Personal relationships of the Company's staff, or any persons associated with them, or the participation of these persons, in supervisory or advisory bodies.

#### **IDENTIFICATION OF CONFLICTS OF INTEREST**

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, FCM takes into account, whether FCM or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (1) FCM or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- (2) FCM or a relevant person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- (3) FCM or a relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- (4) FCM or a relevant person carries on the same business as the client;
- (5) FCM or a relevant person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

#### **EXAMPLE CONFLICTS OF INTEREST**

Potential 'Conflicts of Interest' that may arise in providing the service of receiving and transmitting Client Orders in relation to one or more financial instruments

Where the Company is providing the service of receiving and transmitting Client Orders in relation to one or more financial instruments, 'Conflicts of interest' could arise in cases in which Orders are received at the same time from different Clients for the purchase or sale of certain financial instruments, such as equity securities, with no counterpart existing in the market for the different Orders.

The Company may be paid inducements by fund companies and issuing houses as remuneration for the sale of their financial instruments. This may include portfolio volume dependent trailer fees paid by fund companies out of the respective management fees collected from investors and the sales commissions paid by issuers of securities in the form of placement commissions, reductions on issue prices (discount/rebate) and trailer fees. In order to avoid any 'Conflicts of Interest', in those instances where the Company is paid inducements by fund companies and issuing houses as a remuneration for the sale of their financial instruments, the Company has decided not to retain inducements paid in favour of the Company, but to pass such payments through to its Clients.

Furthermore, in some instances, the Company may receive non-monetary inducements from other service providers in connection with its investment business, e.g. financial analyses or other data, training and sometimes technical services and equipment for access to third-party information and dissemination systems. These inducements are not directly related to services provided to Clients and the Company uses them to provide the high-quality services that Clients expect. They allow on-going improvements to the Company's Services.

With respect to the transactions conducted via its online trading platform(s), the Company charges commissions according to the conditions as agreed with its Clients. The level of commission is based on and limited to the respective surcharge as defined in the Company's current schedule of fees and services, which is accessible on the Company's Website(s) at the following URL: [www.fcmforex.com](http://www.fcmforex.com)

Potential 'Conflicts of Interest' that may arise in providing the service of investment research and financial analysis and other forms

Where the Company is providing the service of investment research and financial analysis, 'Conflicts of Interest' could arise in the following instances:

- ☐ A unit of the Company may be carrying out research or assessments of instruments while operating together with a unit of the Company providing other investment services,
- ☐ The Company may produce research material, which is to be used to support the Company's sales and trading activities, but which may at the same time be distributed to the Company's Clients and to the Company's associates or some other person connected to the Company.

#### **OTHER 'CONFLICTS OF INTEREST' THAT MAY ARISE**

Finally, managers, employees, brokers or persons directly or indirectly associated with the Company by a control relationship, may be subject to potential 'Conflicts of Interest' by virtue of their family, economic or professional links, or for any other reason related to a procedure, service or transaction, in instances in which:

- (a) they may obtain a financial gain or avoid a financial loss, at the expense of a Client;
- (b) they have an interest in the outcome of the service provided to a Client or the transaction performed on their behalf, other than the interest of the Client.

The Company itself may have a 'Conflict of Interest' in instances where it purchases a financial instrument for a Client and then sells it immediately to one of its other Clients or vice-versa.

### **PROCEDURES AND CONTROLS TO MANAGING CONFLICTS OF INTERESTS**

In general, the procedures and controls that FCM follows to manage the identified conflicts of interest include the following measures:

- 1) Effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- 2) The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of FCM;
- 3) The removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- 4) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- 5) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest. Such measures include the following:
  - A. A 'need to know' policy governing the dissemination of confidential or inside information within FCM.
  - B. Chinese walls restricting the flow of confidential and inside information within FCM, and physical separation of departments.
  - C. Procedures governing access to electronic data.
  - D. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
  - E. Personal account dealing requirements applicable to relevant persons in relation to their own investments.

- F. A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
  - G. The prohibition of external business interests conflicting with the FCM's interests as far as FCM's officers and employees are concerned, unless Board of Directors approval is provided.
  - H. A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
  - I. Establishment of in-house Compliance Department to monitor and report on the above to FCM's Board of Directors. This will also update the relevant internal procedures and ensure compliance with such procedures.
  - J. Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to FCM's Board of Directors.
  - K. Establishment of the four-eyes principle in supervising FCM's activities.
  - L. FCM also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;  
the Company, financial analysts, and other relevant persons involved in the production of the investment research do not accept inducements from those with a material interest in the subject-matter of the investment research and must not promise issuers favourable research coverage.
- 6) issuers, relevant persons other than financial analysts, and any other persons are not, before the dissemination of investment research, permitted to review a draft of the investment research for the purposes of verifying the accuracy of factual statements made in that research, or for any other purpose other than verifying compliance with the Company's legal obligations, if the draft includes a recommendation or a target price.

## **DISCLOSURE**

Where a conflict arises and FCM is aware of it, it will disclose the conflict to the client prior to undertaking investment business for that client or, if it does not believe that disclosure is appropriate to manage the conflict, FCM may choose not to proceed with the transaction or matter giving rise to the conflict.

FCM reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate.

Should a Client or prospective client have a question about conflicts of interest he may direct his questions to Fidelis

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