

# TRADE CAPITAL

— UK —

## CONFLICT OF INTEREST POLICY

TRADE CAPITAL UK (TCUK) LTD



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## 1. INTRODUCTION

Trade Capital UK (TCUK) Ltd (hereinafter, "the Company" or "the Firm" or "We") is authorised and regulated by the Financial Conduct Authority ("FCA") as a UK Investment Firm with license number FRN 738538, to conduct designated Investment and Ancillary Services and Activities to the Client under the Provisions of the Financial Services and Markets Act 2000 and the Financial Services Act 2021, as subsequently amended or replaced from time to time ("the Law" and "The Act"), and the FCA Rules.

The Company has established a Conflicts of Interest Policy ("the Policy") pursuant to the obligations under Directive (EU) 2004/39 ("MiFID") and Directive (EU) 2014/65 ("MiFID II"), Chapter 10 of the FCA's Senior Management Arrangements, Systems and Controls sourcebook (SYSC 10) and the retained EU law versions of Commission Delegated Regulation (EU) 2017/565 (the MiFID Org Regulation) and Commission Delegated Regulation (EU) 2017/2359 (the IDD Regulation).

This Policy is subject to review and changes at least annually. We reserve the right to make any amendments as deemed appropriate.

## 2. SCOPE AND PURPOSE OF APPLICATION

The purpose of the Policy is to set out the rules and the principles for the identification, prevention and management of conflicts of interest that might potentially arise and adversely affect the best interest of clients.

Under the above regulatory framework, the Company is required to take all appropriate steps to identify and to prevent or manage conflicts of interest between itself, including its managers and employees, tied agents or other relevant persons, as well as any person directly or indirectly linked to them by control, and their clients or between one client and another that arise in the course of providing any investment and ancillary services or combinations thereof, including those caused by the receipt of inducements from third parties or by the investment firm's own remuneration and other incentive structures.

The Board of Directors defines, oversees and is accountable for the implementation of arrangements under this Policy that ensure the prevention of conflicts of interest, in a manner that promotes the integrity of the market and the interest of clients.

## 3. IDENTIFICATION

Conflicts of interests may include any situation where either the Company or an any person directly or indirectly employed, remunerated or controlled by the company and its affiliates or a client, is likely to make financial gain or avoid a financial loss, at the expense of a client. Situations where conflicts of interest can occur include the following:

- a. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, is likely to make a financial gain or avoid a financial loss, at the expense of the client;
- b. The Company, or a relevant person, or a person directly or indirectly linked by control to the Company, has an interest in the outcome of a service provided to the client, or of the transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- c. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- d. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, carries on the same business as the client;
- e. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, 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 money, goods or services, other than the standard commission or fee for that service.

The affected parties if conflict of interest arises can be the Company, its employees or its clients. More specifically, a conflict of interest may arise, between the following parties:

- a. Between the client and the Company;
- b. Between two clients of the Company;
- c. Between the Company and its employees;
- d. Between a client of the Company and an employee/manager of the Company;
- e. Between the Company's departments.

#### **4. MANAGING CONFLICTS OF INTEREST**

We maintain and operate effective organizational and administrative procedures to manage and prevent any identified conflict of interest from constituting or giving rise to a material risk of damage to the interests of our clients. We also undertake ongoing monitoring of business activities to ensure that these internal controls are appropriate.

The measures adopted are designed to ensure that relevant persons engaged in different business activities involving a potential conflict of interest carry on those activities at a level of independence proportionate to the size and activities of the Company, and to the materiality of the risk of damage to the interests of our clients.

The following measures have been adopted by the Company for ensuring the requisite degree of independence:

- a. Measures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest (i.e. by establishing a Chinese wall);
- b. 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 the Company. The Company's department whose interests may conflict with clients: the Dealing Room;
- c. Removal of any direct link between the remuneration of relevant persons principally engaged with 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: Dealing room employees do not relate their remuneration with clients' performance;
- d. 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. Additionally, the person who decides or influences an individual's bonus may exert undue influence over that individual's integrity of judgment;
- e. Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities such as reception and transmission of clients' orders and tasks such as portfolio decision making and calculating performance;
- f. Systems and controls to prevent as well as manage conflicts of interest that cannot be prevented.

#### **5. CHINESE WALLS**

The Company has constructed adequate Chinese Walls, in accordance with the legal requirements between its departments and has established clear lines of responsibility, in order to avoid the flow of information held by a person in the course of carrying out a part of its business to be withheld from or used by persons who are in the process of carrying out another part of its business.

In particular, physical barriers have been established in order the flow of information is restricted between employees, access has been limited in relation to information and documentation and communication has been restricted between certain employees during the course of carrying out their parts of business.

## **6. DISCLOSURE**

In cases where, the measures taken by the Company to manage conflicts of interests are not sufficient and some residual risk of detriment to the client's interests nonetheless remains, the Company, prior to undertaking investment business on behalf of the client, shall make clear disclosure to the client of the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks.

Disclosure may only be used as a measure of last resort. If the Company relies on disclosure, it is required to clearly state that the organizational and administrative arrangements established by the firm to prevent or manage conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented. Disclosure shall meet the following requirements:

- a. It shall be made on a durable medium;
- b. It shall be tailored to the clients to whom they are addressed. For this reason, it shall mention the specific conflict(s) that arises for that client type and/or category of service; and
- c. It shall include sufficient details to enable the client to make an informed decision with respect to the service in the context of which the conflict arises.

Furthermore, in such disclosure the Company shall clearly state that the organizational and administrative arrangements established to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that there will not be a risk of damage to the interests of the concerned client.

## **7. RESPONSIBILITIES OF THE SENIOR MANAGEMENT**

With regards to the prevention and management of conflicts of interests, the Senior Management of the Company is required to:

- a. Engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest;
- b. Fully Adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines and to ensure that informed judgements are made with respect to materiality;
- c. Raise awareness and ensure compliance of relevant individuals by ensuring: regular training (including to contractors and third-party service providers' staff) both at induction and in the form of refresher training; the clear communication of policies, procedures and expectations; that awareness of conflicts procedures forms part of the performance review/appraisal process, and that the best practice is shared throughout the Company;
- d. Sponsor robust systems and controls and effective regular reviews to ensure that strategies and controls used to manage and mitigate risks remain appropriate and effective and that appropriate warnings and disclosures are issued to clients where necessary;
- e. Utilize management information to remain sufficiently up-to-date and informed; and,
- f. Support an independent review of the processes and procedures in place.

## **8. REPORTING CONFLICTS OF INTEREST**

In the case a possible conflict of interest is identified, an employee must refer it initially to his immediate supervisor to assist in the assessment of a material risk of damage and send a completed Notification Form together with full details to allow regulatory scrutiny, of:

- a. Corrective and preventive actions
  - b. How these actions were considered appropriate
  - c. Any conditions imposed and
  - d. Whether there are still ongoing conflicts, how these are being managed and advised to the client
- Any conflict of interest shall be reported to the Company's CEO and Compliance Officer.

## **9. RECORD-KEEPING**

In accordance with the requirements of the FCA, the Company maintains records of the investments and ancillary services carried out by the Company or on its behalf from which a conflict of interest may arise.

It is duty of the Compliance Officer to maintain and monitor such records.

This Privacy Policy was last updated on April 5, 2022.