

iTrade Global (CY) Limited
Conflict of Interest Policy
Last updated on 18th April 2019

1. INTRODUCTION

- 1.1. iTrade Global (CY) Ltd hereinafter referred to as “the Company” is an Investment Firm that owns and operates the brand “**TRADEFW**” (www.TRADEFW.com). The Company is incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 335424 and is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC), with CIF license number 298/16.
- 1.2. This Conflict of Interest Policy hereinafter “the Policy” constitutes a legal requirement for the Company by the Cyprus Securities and Exchange Commission (“CySEC”). Under the Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets, MIFID I, MIFID II, MIFIR and any other relevant publication, the Company is required to take all reasonable steps to identify, manage, prevent and/or disclose any conflicts of interest. The Company 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. The Company provides herein the policy it maintains in order to manage conflicts of interest in respect of the duties it owes to its Clients.

2. SCOPE OF THE POLICY

- 2.1. The Policy applies to the Company, including its managers, employees and tied agents, or any person directly or indirectly linked to them by control (hereinafter called ‘related persons’) and refer to all interactions with all Clients. The purpose of the Conflicts of Interest Policy (hereafter the “Policy”) is to disclose to the clients that the Company is the client’s counterparty and specify the procedures put in place by the Company for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interests arising in relation to its business and to reduce the risk of client disadvantage and reduce the risk of legal liability, regulatory censure or damage to Company's commercial interests and reputation and to ensure that it complies with legislative requirements and the departmental and general procedures which are set by its Internal Procedures Manual.

3. IDENTIFICATION OF CONFLICTS OF INTEREST

The Company undertakes all appropriate steps to identify and to prevent or manage conflicts of interest between the Company, including its managers, employees and tied agents, or 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 Company's own remuneration and other incentive structures.

3.1. For the purposes of identifying the types of conflict of interest that may arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a Client, the Company takes into account, whether the Company 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:

- i. The Company or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client.
- ii. The Company 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.
- iii. The Company or a relevant person has a financial or other incentive to favor the interest of another Client or group of Client over the interests of the Client.
- iv. The Company or a relevant person participates in the same business as the Client.
- v. The Company 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.

3.2. 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:

- i. Between the client and the Company.
- ii. Between two clients of the Company.

- iii. Between the Company and its employees.
- iv. Between a client of the Company and an employee/manager of the Company.
- v. Between Company's Departments.

3.3. Conflicts of interest can occur in a number of situations, for example:

- i. The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing a client's specific order.
- ii. The Company is likely to sustain an overall financial gain by not executing a client's specific order.
- iii. The market moves to a direction of a point/timing when by executing client's order will result in a financial loss for the Company.
- iv. The Company's hedging policy is affected negatively by the market movement and as a result client's orders are rejected in order to prevent a financial loss for the Company.

4. ORGANISATIONAL REQUIREMENTS

- 4.1. The Company maintains and operates effective organisational and administrative arrangements whereas it takes all reasonable steps designed to prevent conflicts of interest and refrain from adversely affecting the interests of its clients. The Company takes all appropriate tests to identify and to prevent or manage conflicts of interest between the Company, any related persons and its clients. The Company further undertakes all organisational or administrative arrangements to prevent conflicts of interest from by encompassing all reasonable steps to ensure continuity and regularity in the performance and provision of investment services and activities to clients. To this effect the Company employs all appropriate and proportionate systems, resources and procedures. It has established administrative and accounting procedures, internal control mechanisms, effective procedures for risk assessment and effective control and safeguard arrangements for information processing systems.
- 4.2. The Company shall at all times employ all necessary steps to prevent conflicts of interest from affect the interest of its clients and ensure that risks of damage to client interests will be prevented whereas the Company shall disclose to the client the

general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on its behalf. Such disclosure shall fulfill the following requirements:

- a. be made in a durable medium
- b. include sufficient detail, taking into account the nature of the client, to enable the client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

4.3. To this effect, the Company makes available to its clients the given Policy on its website whereas during the registration process, the clients are encouraged to read and before consenting to the given Policy.

5. PROCEDURES AND CONTROLS FOR ASSESSEMENT AND MANAGEMENT OF CONFLICTS OF INTEREST

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

- i. 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. This also includes personal transactions which may be performed by persons who are employed by companies which perform an outsourced activity to the Company, if any. If any personal transactions are entered into, the Company must be notified promptly.
- ii. All employees of the Company must on commencement of their employment read and fully understand the Policy. All employees of the Company are obliged to register their acceptance of having read and understood the Policy in a register, which is to be filed and managed by the Management of the Company.
- iii. Employees of the Company that are involved in the provision of investment services or other activities must not enter into the personal transactions that will cause any of the following:
 - i. Enter into a transaction prohibited under section 9 of the Insider Dealing and Market Manipulation (Market Abuse) Law,
 - ii. Misuse or cause improper disclosure of confidential information,
 - iii. Enter in a transaction that is likely to conflict with any obligations of the Company, or the employee, that are stated under the law.

- iv. Where an employee has come into contact with information which is not publicly available to clients or cannot be readily inferred from information that is so available, the employee must not act or undertake personal transactions or trade, other than as a Straight Through Process (STP) Brokers acting in good faith and in the ordinary course of executing of an unsolicited client order, on behalf of any other person, including the Company.
- v. An employee of the Company who has knowledge of a potential client's order must not carry out a personal transaction that is the same as the client order, if this will cause a conflict of interest.
- vi. The employees must not disclose any opinion other than in the normal course of business, if the person who is given the opinion is likely to enter into a transaction which is contrary to the above. The employee should not provide an advice or provide to anyone any information, other than in the proper course of his/her employment, especially if it is clear that the person who is receiving such information will advise another party who might acquire or dispose of financial instruments to which that information relates.
- vii. 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 the Company. A Company's department whose interests may conflict with clients is the Dealing Room Department which receives the orders of the Clients.
- viii. 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. The Dealing Room Department' employees do not relate their remuneration with clients' performance.
- ix. 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.
- x. A 'need to know' policy governing the dissemination of confidential or inside information within the Company.

- xi. Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments. Chinese walls are essentially information barriers which are used to prevent inside or highly confidential information possessed by one part of the business from being inappropriately passed to, or obtained by, another part of the business. When a Chinese wall is used as a way of managing conflicts of interests, individuals on the other side of the wall will not be regarded as being in possession of knowledge denied to them as a result of the Chinese wall. For example, where arrangements have been put in place to ensure that entities belonging to the same group operate independently of each other with effective Chinese walls, the entities shall not be deemed to have knowledge of each other for conflicts of interest purposes.
- xii. Procedures governing access to electronic data are also implemented.
- xiii. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- xiv. Prohibition of external business interests conflicting with the Company's interests as far as the Company's officers and employees are concerned, unless the Board of Directors' approval is provided.
- xv. Appointment of a Compliance Officer to monitor and report on the above to the authorities and the Company's Board of Directors.
- xvi. Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- xvii. Establishment of the four-eye principle in supervising the Company's activities. The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
- xviii. The Company notifies clients or potential clients that telephone communications or conversations between the Company and its clients that result or may result in transactions will be recorded. Such notification takes place once, before the provision of investment services to new and existing clients. Where orders are placed by clients through other channels, such communications must be made in a durable medium such as mails, faxes, emails or documentation of client order.

- xix. The Company takes all reasonable steps to prevent an employee or third person from making, sending or receiving relevant telephone conversations and electronic communications on privately-owned equipment which the Company is unable to record or copy.
- xx. Communication records can be provided to the client involved upon request and shall be kept for a period of five years and when requested by a competent authority this can be extended to a period of up to seven years.
- xxi. The Company takes all reasonable measures to safeguard clients' funds and takes adequate arrangements to this effect and prevent the use of client funds for its own account. To this effect all clients' funds are kept in segregated accounts in EU credit institutions.
- xxii. In the case of the establishment of a branch, the competent authority of the member state in which the branch is located shall, in addition to the competent authority of the member state of the Company, shall have direct access to those records and enforce such application to the branch, enhancing the supervision powers.
- xxiii. The Company precludes from receiving any remuneration, discount or non-monetary benefit or inducements which would infringe the requirements on conflicts of interest.

6. REPORTING A CONFLICT OF INTEREST

- 6.1. As an identification procedure for the identification of any potential conflicts, all the employees or related persons of the Company are encouraged to report and give feedback to the Compliance Department of the Company, who will then report to the Senior Management of the Company of cases which may lead to more scrutiny of the Company's policies or encourage review and/or expansion of disclosures included in the documentation kept. This will take the form of identification, assessment and imposition of corrective actions in order to preclude the conflict, where this might be possible.
- 6.2. In the case however where an employee who identifies any conflict of interest, he/she must immediately refer it initially to his/her immediate supervisor to assist in the assessment of a material risk of damage and send a completed Conflict of Interest Notification Form to the Compliance Officer together with full details of the identification, assessment and monitoring to allow scrutiny, of:

- i. The nature of the conflict of interest;
 - ii. Corrective and preventive actions;
 - iii. How these actions were considered appropriate;
 - iv. Any conditions imposed; and
 - v. Whether there are still ongoing conflicts, how these are being managed and advised to the client;
- 6.3. The Compliance Officer will further determine if any conflict does exist or has the potential to arise and will state the reasoning for their findings in a file kept in storage for referral to the Cyprus Securities and Exchange Commission (hereafter "CySEC") should such need arise informing about the findings the Board of Directors.
- 6.4. A report of conflicts of interest shall be prepared and provided to the Senior Management of the Company at least on an annual basis, or whenever this shall be determined to be necessary, where the Board of Directors of the Company shall consider and review the existing Policy. To this effect, evidence shall be kept and maintained analyzing and explaining the actions taken when there is an identification and/or for the management of potential arising conflict. Such reviews such be performed and recorded along with the relevant evidence of reasonable analysis and consideration of the relevant issue in question and of all the conflicts of interest affecting the Company.

7. REMUNERATION POLICY

- 7.1. Pursuant to the Remuneration Policy of the Company, the payment or benefit which enables or is necessary for the provision of investment services such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which by its nature cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients.
- 7.2. The Company does not remunerate or assess the performance of its employees in a way which conflicts with its duty to act in the best interests of its clients. It precludes from making any arrangements by way of remuneration, sales targets or otherwise that could provide an incentive to its employees to recommend a particular financial instrument to a retail client when the Company could offer a different financial instrument which would better meet the client's needs.

8. RECORD KEEPING

- 8.1. The Company keeps and regularly updates a record of the kinds of investment and ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. The following documentation shall be maintained for a minimum period of five years or where requested by a Competent Authority for a period up to seven years:
- i. This policy and any amendments if applicable;
 - ii. The Conflicts Log;
 - iii. Report of potential or actual conflicts of interest;
 - iv. Assessment, evidence, analysis and explanation of actions taken with regards to potential or existing conflict;
 - v. Communication evidence with clients and/or potential clients including calls, emails, faxes or any other means;
 - vi. Rules, procedures and processes;
 - vii. Training material and training records;
 - viii. Conflicts of Interest Notification Forms with details of any review work carried out (including any decisions made on conflicts management); and
 - ix. Any other documentation used to demonstrate the management of conflicts of interest.
- 8.2. The Company arranges for records to be kept of all services, activities and transactions undertaken. Such records include the recording of telephone conversations or electronic communications relating to, at least the provision of client order services that relate to the reception, transmission and execution of client orders. Such telephone conversations and electronic communications include even those conversations or communications do not result in the conclusion of such transactions or in the provision of client order services. The Company takes all reasonable steps to record relevant telephone communications and electronic communications made with, sent from or received by equipment provided by the Company to an employee or the use of which by an employee or another person has been accepted or permitted by the Company.

9. RESPONSIBILITIES

- 9.1. The Company's Senior Management is responsible for clearly allocating responsibility and delegating authority to accountable individuals to ensure that those involved are aware of their involvement and that the Compliance Officer has a sufficient level of authority and independence in order to carry out their responsibilities effectively.

The Company's *Senior Management* is required to:

- i. Fully engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest.
 - ii. Adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines and to ensure that informed judgments are made with respect to materiality.
 - iii. 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;
 - iv. 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;
 - v. Utilize management information to remain sufficiently up-to-date and informed; and support an independent review of the processes and procedures in place.
 - vi. Review and assess the findings of the report of conflicts of interest at least on an annual basis and where necessary review and update the present Policy.
- 9.2. The Company's employees are required to identify new conflicts of interest arising out of the activities/services that they perform and engage in the process to notify the Compliance Officer upon identifying any potential conflict.
- 9.3. The Company's Compliance Officer is responsible for the day to day management of the implementation of this Policy. In particular, (s)he or his/her delegate, is responsible for:
- i. Establishing the policy in relation to conflicts of interest;

- ii. Providing training oversight and aid;
- iii. Monitoring compliance with arrangements;
- iv. Oversighting the conflicts management;
- v. Maintaining records in relation to conflicts of interest;
- vi. Reviewing and challenging the Conflicts Identification and Management Map; and providing appropriate internal reporting to the Board of Directors.
- vii. Report to the Board of Directors of the Company at least on an annual basis of the report of the conflicts of interest and its findings;

10. ACTION PLAN

The Company is required to manage the conflicts of interest that may be identified from time to time. The Company's response to any potential conflicts of interest are eliminated via the implementation of numerous measures.

- i. The Company maintains a Best Execution Policy which sets out the procedures for delivering best execution to the clients of the Company.
- ii. The Company has implemented monitoring mechanisms with regards to the execution parameters which are taken into account in order to ensure that the best possible result is reached when executing client orders.
- iii. The Company does not engage with any third party introducers.
- iv. The Company remains solely responsible for the assessment of the clients' knowledge and experience during their onboarding with the Company and any onboarding decisions are determined as per the Company's discretion.
- v. The Company monitors client communication to ensure that its employees do not engage in any form of misconduct.
- vi. The Company's employees acknowledge to the Personal Transaction Policy of the Company.

The Company shall regularly monitor and review its existing policies and procedures and shall amend the current Policy whenever this is deemed to be necessary according to its operations.