

trading.com

CONFLICTS OF INTEREST POLICY

1. INTRODUCTION

Trading.com Markets UK Limited, operating under the trading name Trading.com, is a UK Investment Firm (registration number 09436004), regulated by the Financial Conduct Authority ("FCA") under license number 705428 (hereinafter the "Company or "we", "us" and "our", as appropriate). The Company's registered office is at Coppergate House, 10 Whites Row Spitalfields London E1 7NF United Kingdom.

In accordance with Section 10 of the FCA's Senior Management Arrangements, Systems and Controls (SYSC 10), the Company is required to provide its clients and potential clients with a summary of its Conflicts of Interest Policy (hereinafter the "Policy").

Under the above legislation, the Company is required to take all reasonable steps to identify and to prevent or manage conflicts of interest, which may arise during the course of its business, between:

- the Company, including its managers, employees, appointed representatives or any person directly or indirectly linked to them by control, and a client of the Company; or
- one client of the Company and another client.

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 services.

On 27 July 2022, the FCA published final rules on a new Consumer Duty (the "Duty"), the purpose of which is to set higher and clearer standards of customer protection across financial services with an emphasis on putting the needs of customers first. This Policy takes the Duty into account and Trading.com understands that should conflicts of interest arise, the needs of the customer should be prioritised as per its duty of care.

As part of our work to avoid foreseeable harm and act in good faith, we should be focusing on any potential conflicts of interest that could lead to foreseeable harm (as part of the cross-cutting rules) and ensure that we have appropriate controls. As part of our annual review on the Consumer Duty we should consider management of conflicts (and reviewing the conflicts register) as part of this work.

We provide here a summary of the Policy we maintain in order to manage conflicts of interest in respect of the duties we owe to our clients.

2. SCOPE OF THE POLICY

The Policy is provided to you in accordance with the FCA rules on the basis that you are proposing to open an account with the Company.

The purpose of this document is to set out the Company's approach to identify and prevent or manage conflicts of interest which may arise between the Company, including its directors, managers, employees and any person directly or indirectly linked to the Company by control and its clients or between one client and another that arise in the course of providing any investment and ancillary services, or combinations thereof, including the Company's own remuneration scheme and other incentive structures. Accordingly, we have adopted this Policy which sets out the necessary procedures, controls and practices set in place to ensure that any conflicts of interest are identified and prevented or appropriately managed.

The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Company (hereinafter called "relevant persons") and refers to all interactions with all clients.

The aim of our Policy is to identify and prevent conflicts of interest which may arise between the Company and its clients or between one client and another. Accordingly, we have adopted a conflicts of interest policy setting out the procedures, practices and controls in place to achieve this

3. SCOPE OF APPLICATION

This Policy applies to the following persons (“relevant persons”):

- a) directors;
- b) managers who, directly or indirectly, may adversely affect the interest of the clients or potential clients;
- c) employees who, directly or indirectly, may adversely affect the interest of the clients or potential clients; and
- d) any persons directly or indirectly linked to the Company by means of control.

This Policy includes the following content:

- a) identifies, with reference to the specific investment services and activities and ancillary services carried out by or on behalf of the Company, the circumstances which constitute or may give rise to a conflict of interest involving a material risk of damage to the interests of one or more clients; and
- b) specifies procedures to be followed and measures to be adopted in order to prevent or manage such conflicts.

4. 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, the Company takes into account, whether the Company or a relevant person or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether as a result of providing investment or ancillary services or otherwise:

- a) The Company or relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b) The Company or 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;
- c) The Company or 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;
- d) The Company or relevant person carries on the same business as the client;
- e) The Company or relevant person receives or will receive from a third party 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;
- f) The company or relevant person has received information from one customer relevant to the transactions of another customer;
- g) Any relevant person receives gifts that could be creating a conflict with fulfilling our duties to the clients.

5. PROCEDURES AND CONTROLS TO MANAGING CONFLICTS OF INTEREST

The Company has set up internal policies and has an in-house Compliance Department that is responsible for identifying and managing potential conflicts of interests. The above will also update the relevant internal procedures and ensure compliance with such procedures.

The Company maintains and operates effective organisational and administrative procedures to manage and prevent the identified conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients. The Company also undertakes on-going monitoring of business activities to ensure that internal controls are appropriate.

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

In general, the procedures and controls that the Company follows, to manage or prevent conflicts of interest, include the following measures to ensure the requisite degree of independence:

- a) 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;
- b) 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;
- c) 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 remuneration of relevant persons is only based on individual and company performance and is not directly connected to any metrics generated by clients' activity with the Company;
- 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; and
- e) 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, but are not limited to, the following:

- Relevant training and guidance are provided to relevant persons;
- No additional fees are charged on clients, in case their order will be carried out through a third party;
- The execution venue selection criteria are not connected to any incentive for the Company. The selection of venue is made solely on the basis of regulatory compliance, execution quality and operational reliability;
- A 'need to know' policy governing the dissemination of confidential or inside information within the Group;
- Chinese walls restricting the flow of confidential and inside information within our company, and physical separation of departments;
- Procedures governing access to electronic data;
- Segregation of duties that may give rise to conflicts of interest if carried on by the same individual;
- Personal account dealing requirements applicable to relevant persons in relation to their own investments;
- A gifts and inducements log registering the solicitation, offer or receipt of certain benefits;
- The prohibition of external business interests conflicting with our interests as far as the Group's officers and employees are concerned, unless board approval is provided;
- Organisational and administrative arrangements to limit the conflict of interest arising from the giving and receiving of inducements;
- Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors;
- Establishment of the four-eyes principle in supervising the Company's activities.

The Company also undertakes on-going monitoring of business activities to ensure that internal controls to prevent or manage conflicts of interest are appropriate;

The Head of Compliance shall be responsible for reporting potential conflicts of interests directly to the Board of Directors and Senior Management.

Investment Research

Persons who produce or disseminate research concerning financial instruments or issuers of financial instruments and persons who produce or disseminate other information recommending or suggesting an investment strategy, intended for distribution channels or for the public, shall ensure that they comply with all applicable provisions of this Policy in relation to conflict of interests that may arise from the performance of their duties. They shall also take reasonable care to ensure that such information is fairly presented and disclose their interests or indicate conflicts of interest concerning the financial instruments to which that information relates, if any.

The measures and arrangements adopted by the Company to manage the conflicts of interests that might arise from the production and dissemination of material that is presented as investment research is appropriate to protect the objectivity and independence of financial analysts and of the investment research they produce. Such measures and arrangements ensure that financial analysts enjoy an adequate degree of independence from the interests of persons whose responsibilities or business interests may reasonably be considered to conflict with the interests of the persons to whom the investment research is disseminated.

The Company shall have arrangements in place designed to ensure that the following conditions are satisfied:

- a) financial analysts and other relevant persons do not undertake personal transactions or trade, other than as market makers acting in good faith and in the ordinary course of market making or in the execution of an unsolicited client order, on behalf of any other person, including the Company, in financial instruments to which investment research relates, or in any related financial instruments, with knowledge of the likely timing or content of that investment research which is not publicly available or available to clients and cannot readily be inferred from information that is so available, until the recipients of the investment research have had a reasonable opportunity to act on it;
- b) in circumstances not covered by point (a), financial analysts and any other relevant persons involved in the production of investment research do not undertake personal transactions in financial instruments to which the investment research relates, or in any related financial instruments, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the Compliance Department which may seek legal advice;
- c) a physical separation exists between the financial analysts involved in the production of investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated;
- d) 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;
- e) the Company, financial analysts, and other relevant persons involved in the production of the investment research do not promise issuers favourable research coverage; and
- f) before the dissemination of investment research, relevant persons other than financial analysts and any other persons are not permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements made in that research, or for any purpose other than verifying compliance with the Company's legal obligations, where the draft includes a recommendation or a target price.

For the purpose of this section, any 'related financial instrument' also means any financial instrument the price of which is closely affected by price movements in another financial instrument which is the subject of investment research, and includes a derivative on that other financial instrument.

6. RECORD KEEPING

The Company shall maintain and regularly update a register of the kinds of investment or ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or may arise.

7. REPORTING

The Senior Management of the Company shall receive on a frequent basis, and at least annually, written reports on the situations referred to in paragraph 6 above.

8. DISCLOSURE

In case where the steps taken by the Company to prevent conflicts of interest from adversely affecting the interest of its clients are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the Company shall clearly disclose to the client, in a durable medium, the general nature and sources of conflicts of interest as well as the risks to the client that arise as a result of the conflicts of interest and the steps taken to mitigate those risks before undertaking business on its behalf.

Such disclosure shall be a measure of last resort and shall include sufficient detail, taking into account the characteristics of the client to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

The disclosure shall clearly state that the organisational and administrative arrangements established by the investment firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented. The disclosure shall include specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made. The description shall explain the general nature and sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks, in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise. Details of potential conflicts of interest identified by the Company are contained in the Annex to this Policy, which may be amended from time to time.

If the Company does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.

The Company reserves the right to assess, periodically review, at least annually, and amend, if necessary, its Policy and arrangements, at its sole discretion, whenever it deems this appropriate in order to address any deficiencies. Further information about the Policy is available upon request.

Should you have a question about Conflicts of Interest please direct your questions to the Compliance Department: compliance.uk@trading.com

**Annex I
Conflicts of Interest**

Non-exhaustive circumstances of potential conflicts of interest, include the following:

Area of potential conflict of interest	Measures to manage conflict
Investment Research	<p>The Company does not procure or produce its own research. All communication on the company's website is regarded as non-independent research and as marketing communication.</p> <p>The Company does not provide investment advice to its clients.</p>
Affiliates	<p>The Company may use Affiliates from time to time as a distribution channel. These Affiliates may be remunerated in accordance with an Affiliate Agreement between the Company and the Affiliates (e.g. CPA Agreement).</p> <p>Where it pays an inducement to any third party in relation to an introduction, the Company offers to the Affiliate only the CPA plan (i.e., an one-off payment for an one-off introduction, as a means of compensation) and no other payment scheme shall be offered or used.</p> <p>The Company ensures that no Affiliate remuneration affects the quality of execution to its clients. In addition, no Affiliate of the Company will provide the Company's clients with investment advice.</p>
Inducements	<p>The Company's personnel may not solicit or accept any inducement which may influence their independence or business judgement or which could create a conflict with any duty owed to us and/or our clients.</p> <p>The restriction does not include the remuneration which is provided to the Company's personnel in accordance with its Remuneration Policy nor corporate "gifts" and hospitality which are considered to be incidental and relevant to the Company's ordinary business. Any such corporate "gifts" and hospitality are recorded and kept accordingly.</p>