



## SUMMARY OF CONFLICTS OF INTEREST POLICY

### **1. Introduction**

This summarised Conflicts of Interest Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 144(I)/2007, as subsequently amended from time to time (“the Law”), pursuant to which FxGlobe LTD (“the Company”) is required to take all reasonable steps to detect and avoid 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 purpose of this document is to set out the Company’s approach in identifying and managing conflicts of interest which may arise during the course of its normal business activities. In addition, this document identifies circumstances which may give rise to a conflict of interest.

### **2. Scope**

The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Company (hereinafter called “Related Persons”) and refers to all interactions with all Clients.

### **3. Identification of Conflicts of Interest**

When the Company deals with the Client, the Company, an associate or some other person connected with the Company may have an interest, relationship or arrangement that is material in relation to the Transaction concerned or that it conflicts with the Client’s interest.

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise, as per the current nature, scale and complexity of the Company’s business, the following list includes circumstances which constitute or

may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services:

- (a) the Company may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the Client's personal objective of minimizing transaction costs;
- (b) the Company's bonus scheme may award its employees based on the trading volume etc.;
- (c) the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;
- (d) the Company or a Related 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;
- (e) the Company or a Related person has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
- (f) the Company or a Related person carries on the same business as the Client.

#### **4. Procedures and Controls for Managing Conflicts of Interests**

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures (list is not exhaustive):

- (a) The Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
- (b) The Company undertakes effective procedures to prevent or control the exchange of information between Related 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.
- (c) The separate supervision of Related Persons whose principal functions involve providing services to Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- (d) Measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services.

- (e) Measures to prevent or control the simultaneous or sequential involvement of a Related Person in separate investment services where such involvement may impair the proper management of conflicts of interest.
- (f) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
- (g) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- (h) Procedures governing access to electronic data.
- (i) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- (j) Personal account dealing requirements applicable to Related Persons in relation to their own investments.
- (k) Establishment of the Compliance Department to monitor and report on the above to the Company's Board of Directors.
- (l) Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's board of directors.
- (m) A "need-to-know" policy governing the dissemination of confidential or inside information within the Company.
- (n) Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- (o) Establishment of the "four-eyes" principle in supervising the Company's activities.

## **5. Client's Consent**

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to and authorises the Company to deal with the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a Transaction, without prior reference to the Client.

In the event that the Company is unable to deal with a conflict of interest situation it shall revert to the Client.

## **6. Disclosure of Information**

If during the course of a business relationship with a Client or group of Clients, the organizational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest relating to that Client or group of Clients, the Company will disclose the conflict of interest before undertaking further business with the Client or group of Clients.

## **7. Amendment of the Policy and Additional Information**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Company and the Client.

Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to [info@fxglobe.com](mailto:info@fxglobe.com).

As disclosed in the Best Execution Policy Document of the Company, FXGlobe cooperates with a list of Liquidity Providers as its Execution Venues, BMFN (Boston Merchant Financials), Globe Pro Limited and GBE Brokers, in order to ensure that it is not 'over-reliant' on the single provider/market maker.

Furthermore, it is reasonably informed on the Clients and potential Clients that Globe Pro Limited is a related entity to the FXGlobe Limited. This fact directed the Company to consider the vital importance of Conflict of Interests that may arise out of such



business affairs and concluded that at all times it should ensure that the following is adhered by both companies:

- It does not affect or in any way diminish the FXGlobe's responsibility to monitor the quality of execution of orders,
- it does not in any way interrupt the proper and reasonable compliance with the Best Execution Policy of FXGlobe,
- Business agreement in place between the companies discloses the obligations and responsibility of each Party and therefore they both have the responsibility to avoid the conflict of interest,
- The Liquidity Provider is a regulated Investment Firm from a third country and has a valid/activated authorization,
- The liquidity provider has such financial soundness that can justify the trading risk it undertakes and it is in such a cash flow position that can undertake the settlement of all trades introduced or executed or hedged by its clients, and thus the FXGlobe's Clients interest is protected and safe,
- FXGlobe effectively, through contractual arrangements, is able to regularly oversee and assess the financial performance and soundness, including capital ratio, of the liquidity provider regularly,
- FXGlobe maintains own funds to cover the risk of failure/insolvency that it may undertake due to the fact that the liquidity provider/market maker is not situated in the European Union because the business arrangements between the companies does not require from FXGlobe to send any collateral funds to the liquidity provider. The reconciliation/statement of all the transactions executed on behalf of the CIF's clients, is being reported and settled once a month where all debts are paid, however, the clients funds are at all times kept with FXGlobe for their better safeguarding,
- Given the situation of relativity between the 2 entities, the capital ratio and own funds are calculated on a consolidated basis (both FXGlobe Limited and Globe Pro Limited), in accordance with the **European Directive 2013/36/EU** and **Regulation 575/2013**.
- FXGlobe regularly assess the market landscape to determine whether or not there are alternative liquidity providers that could be in use. Therefore, FXGlobe evaluate and assess whether the best execution policy is safeguarded. The Internal Auditor and the Compliance Officer performs such checks and evaluation using risk related techniques on a sample basis.

Where arrangements made by FXGlobe are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented, the



Company will, if it is aware of it, disclose the general nature and/or sources of conflicts of interest to a client prior to undertaking investment business for that client and immediately take, without delays, corrective measures, where necessary. The disclosure will be made by way of a written notice and will include sufficient detail to enable the client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

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.

#### **8. Company's official language**

The Company's official language is the English language and the Client should always read and refer to the Website for all information and disclosures about the Company and its activities. Translation or information provided in languages other than English is for informational purposes only and do not bind the Company or have any legal effect whatsoever, the Company having no responsibility or liability regarding the correctness of the information therein.