

eurotrader

Conflict of Interest Policy

November 2023

Conflict of Interest Policy

Eurotrade Investments RGB Ltd

1. Purpose

The Conflicts of Interest Policy (the '**Policy**') outlines the procedures established by Eurotrade Investments RGB Ltd, herein referred to as 'the Company' or 'Eurotrader', to identify, prevent, manage, and disclose conflicts of interest in its business operations. The primary goal is to reduce the risk of client disadvantage and to safeguard against legal liability, regulatory sanctions, and harm to the Company's commercial interests and reputation. This Policy ensures compliance with legislative requirements and internal procedures.

For your own benefit and protection, we strongly advise you to allocate ample time to thoroughly review this Policy and any supplementary documentation and information accessible through our website before proceeding to open an account or engage in any activities with us. If you require further clarification, please do not hesitate to reach out to us, or consider seeking advice from an independent professional as needed.

2. Legal Framework

In compliance with the legal framework that governs Cypriot Investment Firms, specifically the Investment Services and Activities and Regulated Markets Law of 2007 (Law L. 87(I)/2017) and Delegated Regulation 2017/565, Cyprus Investment Firms are required to establish, implement, and maintain a conflict-of-interest policy that is commensurate with the size, nature, scale, and complexity of their business.

3. Scope

This policy applies to the following relevant individuals:

- Directors, managers, or tied agents of the Company.
- Employees or tied agents involved in providing investment services and activities.
- Any other individuals whose services are under the control of the Company and are involved in providing investment services.

4. Identification of Conflicts of Interest

The Company maintains this written policy, which is accessible on its website, to identify and address conflicts of interest. A conflict of interest can arise between various parties, including:

- Between the Client and the Company.
- Between two Clients of the Company.

- Between the Company and its employees.
- Between the Client and an employee/manager of the Company.
- Between different departments within the Company.

A conflict of interest is defined as a situation in which the Company or an individual can exploit a professional or official capacity for corporate or personal gain. Such situations may include:

- The Company or an associated individual, whether directly or indirectly linked to the Company, may stand to gain financially, or prevent financial loss at the expense of the Client.
- The Company or an associated individual, whether directly or indirectly linked to the Company, may have an interest in the outcome of a service provided to the Client or a transaction conducted on the Client's behalf, which differs from the Client's own interest in that outcome.
- The Company or an associated individual, whether directly or indirectly linked to the Company, may have a financial or other incentive to prioritize the interests of another Client or group of Clients over those of the individual Client.
- The Company or an associated individual, whether directly or indirectly linked to the Company, may engage in the same business as the Client.
- The Company or an associated individual, whether directly or indirectly linked to the Company, may receive, or anticipate receiving inducements from sources other than the Client, in the form of money, goods, or services, apart from the standard commission or fee for a service.

Specifically, a conflict of interest, as defined by the Company, includes any situation where either the Company or an individual has the potential to leverage their professional or official role for either personal or corporate gain. Potential scenarios where conflicts of interest may arise include:

- The likelihood of financial gain or loss avoidance, to the detriment of the Client.
- An interest in the outcome of services or transactions on behalf of the Client, which diverges from the Client's own interests.
- Financial or other incentives to favour the interests of another Client or group of Clients over the Client's interests.
- Engaging in the same line of business as the Client.
- Receiving or anticipating inducements from sources other than the Client, involving money, goods, or services, beyond the standard commission or fee for a service.

5. Management of Conflicts of Interests / Procedures and Controls

5.1. Managing Conflicts of Interest

The Company's Compliance department and Directors are responsible for identifying and managing conflicts of interest. They also update this policy to ensure compliance with relevant regulations.

5.2. Processes and Controls

The Company has implemented various measures to ensure the necessary degree of independence:

- To curb information exchange among relevant individuals in conflict-prone activities, "Chinese walls" with clear reporting lines are established.
- Separate oversight for individuals in roles with potential conflicts, including Company departments whose interests may clash with Brokerage and Dealing on Own Account clients.
- Eliminating direct links between remuneration of individuals in conflicting activities, ensuring adherence to the Company's client-centric duty.
- Preventing undue influence over relevant individuals by monitoring client communication and implementing a two-person signatory requirement.
- Regulating the simultaneous or sequential involvement of relevant individuals in separate activities through distinct team supervision.

Chinese walls act as information barriers, preventing the inappropriate transfer of confidential information from one part of the business to another. When managing conflicts of interest with Chinese walls, individuals on the other side are not considered privy to restricted knowledge.

The Company ensures that the performance of multiple functions by its relevant individuals does not hinder their ability to fulfil their duties with integrity, transparency, and professionalism.

The Company acknowledges the crucial role of effective segregation of duties within a firm's internal controls, particularly in a prudential context. It ensures that no single individual holds unrestricted authority to utilize the firm's assets or assume liabilities on its behalf. Segregation also guarantees that the firm's governing body receives impartial and accurate information about financial performance, risks, and system adequacy.

Since the Company acts as the Execution Venue (Market Maker) in clients' transactions, inherent conflicts of interest naturally emerge. To meet its obligations of preventing and addressing these conflicts honestly, fairly, and professionally, and always keeping the best interests of its clients in mind, in addition to the above-mentioned organizational measures, the Company has established specific procedures and measures to ensure best execution of clients' orders. For more details, please refer to the 'Order Execution Policy'.

Furthermore, we do not offer Investment Advice to our customers to ensure that their trading decisions remain uninfluenced.

To ensure the delivery of high-quality Best Execution services to clients, Eurotrader periodically assesses various factors and metrics, including specific trading statistics such as the frequency of

quotes or rejected orders. This ongoing evaluation helps maintain the quality of Best Execution services. Eurotrader diligently records any discrepancies and promptly escalates significant deficiencies to senior management for corrective action.

In pursuit of consistently delivering the best possible results in terms of total consideration, which includes the price of financial instruments and related execution costs for clients, Eurotrader has implemented a robust governance structure. Regular monitoring and reviews play a pivotal role in upholding compliance with Best Execution practices.

Eurotrader has also put in place several important policies and measures, including:

- A Personal Transaction Policy that outlines the requirements for relevant individuals regarding their personal investments.
- A gift and inducement log, which tracks instances of solicitation, offers, or receipt of specific benefits.
- Prohibition of external business interests that could conflict with Eurotrader's interests, particularly among its employees, unless approved by management.
- The establishment of an in-house Compliance department responsible for monitoring and reporting on these matters to the Company's Board of Directors.

5.3. Additional Measures

In addition to these measures, our Risk Management department conducts regular checks and inspections to ensure compliance with established procedures and controls. The Internal Auditor supervises the Company's conflict of interest policy, conducting an annual review.

6. Inducements, Commission, Remuneration, and Gifts

Eurotrader does not engage in financial transactions or provide monetary or non-monetary

benefits to any third parties for rendering investment services or activities. Full and relevant disclosures will be made to clients before providing any investment services. Upon Client's request, Eurotrader will provide a detailed breakdown of amounts paid to these third parties.

When engaging with third parties, Eurotrader ensures they adhere to applicable regulatory frameworks and act in the best interests of the company's clients. Continuous supervision and appropriate measures are in place to safeguard clients' interests.

Eurotrader has established robust mechanisms and processes to guarantee fair and professional treatment of clients, always prioritizing their best interests.

In the interest of transparency and to prevent conflicts of interest, Eurotrader does not remunerate employees based on factors that might conflict with the best interests of clients. Employee compensation is strictly performance-based, evaluated using both quantitative and qualitative criteria.

Eurotrader strictly adheres to officially disclosed fees and commissions and does not engage in any undisclosed or alternative forms of remuneration.

To maintain transparency and uphold ethical standards, Eurotrader's staff, particularly relevant individuals, are not permitted to accept gifts or financial benefits. In exceptional cases where low-value gifts are involved, they may be accepted, provided the company is informed and grants approval. Eurotrader maintains a log for low-value gifts to ensure transparency and accountability.

7. Internal Reporting Conflicts of Interests

In the event of a potential conflict of interest, relevant individuals must report it to their immediate supervisor, the Company's Compliance department, and management for assessment.

8. Disclosure of Conflicts of Interest

The Company will use best efforts to manage or prevent conflicts of interest, but if adequate management is not possible, written disclosure will be provided to the client, allowing them to make an informed decision about proceeding with the transaction.

Eurotrader's policy is to transparently disclose any material interests or conflicts of interest to clients, whether concerning a specific transaction or generally, prior to its provision. Clients will then have the opportunity to decide whether they wish to continue their relationship with the company or not. If Eurotrader deems that disclosure is insufficient to effectively manage a conflict of interest, the company may opt not to proceed with the transaction or matter giving rise to the conflict.

9. Record Keeping

The Company maintains an updated record of its investment, ancillary services, or investment activities that have given rise to or may pose a material risk of harming the interests of one or more Clients. This documentation must be retained for a minimum of five years. Additionally, the Company's management will regularly receive, at least on an annual basis, reports concerning these activities and incidents.

10. Policy Amendment and Reviews

The Company reserves the right to review and amend this policy and its controls as necessary. The Compliance department and the Board of Directors conduct annual reviews and assessments to address any deficiencies.

11. Contact of Information

For any inquiries or concerns related to this Policy, please contact our Customer Support Department initially at support@eurotrader.eu. Alternatively, you can reach out to our Compliance Department at compliance@eurotrader.eu.

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Eurotrade Investments RGB Ltd is authorised and regulated
by the Cyprus Securities and Exchange Commission

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