



# CONFLICTS OF INTEREST POLICY

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## 1. Introduction

Soho Markets Global Limited ("the Company") is authorized and regulated by the Financial Services Commission under license number GB21026599. The Company operates under the Financial Services Act 2007, the Securities Act 2005, the Securities (Amendment) Act 2021, as amended from time to time.

## 2. Purpose

The purpose of this Policy is to specify the procedures put in place by Soho Markets Global Limited (hereafter the "Company"), for identifying, monitoring, 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.

Please ensure you take sufficient time to read this Policy as well as any other legal documentation and additional information available to you via our Website prior to opening an account and/or carrying out any activity with us. Should you need any further clarification, please contact us.

## 3. Legal Framework

In accordance with the Companies Act 2001, Financial Services Act 2007 and the Securities Act 2005 companies are required to establish, implement and maintain an effective conflict of interest policy set out in writing and appropriate to the size and organization of the company and the nature, scale and complexity of its business.

Companies must take all reasonable steps to identify 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.

In this respect, companies must establish adequate policies and procedures sufficient to ensure compliance, including its managers, employees, tied agents and other relevant person(s), with its obligations pursuant to the Law and the directives issued pursuant to this Law, as well as appropriate rules governing personal transactions by such persons.

#### **4. Policy**

The scope of this Policy is to specify the procedures put in place by the Company for identifying, monitoring, preventing and managing, where necessary, disclosing the conflicts of interests arising in relation to its business. The Company is committed to reduce the risk of client's disadvantage and reduce 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 departmental and general procedures that are set by its internal procedures. The Company gives great emphasis in corporate and compliance culture and is committed to acting honestly, fairly and professionally and in the best interests of its clients

According to the law, companies must take all reasonable steps to identify 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. Accordingly, this Policy sets out the necessary procedures, controls and practices in place to ensure that any conflicts of interest are identified and prevented or appropriately managed.

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 Chief Executive Officer of the Company. Any employee that suspects any conflict of interest must immediately inform the Chief Executive Officer who will 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 Commission should such need arise.

## 5. Identification of conflict of interests

For the purposes of identifying the types of conflicts 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, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.

Relevant person in relation to the Company means any of the following persons:

- 1) a member of the board of directors, partner or equivalent, manager or tied agent of the Company;
- 2) a member of the board of directors, partner or equivalent, or manager of any tied agent of the Company;
- 3) an employee of the Company or of a tied agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or

a tied agent of the Company who is involved in the provision by the Company of investment services or/and the performance of investment activities;

- 4) a natural person who is directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities;

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:

- 1) Between the client and the Company.
- 2) Between two clients of the Company.
- 3) Between the Company and its employees.
- 4) Between a client of the Company and an employee/manager of the Company.
- 5) Between Company's Departments.

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

- 1) The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing a client's specific order.
- 2) The Company is likely to sustain an overall financial gain by not executing a client's specific order.
- 3) 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.

## **6. Management of Conflicts of Interest**

The Company establishes, implements and maintains effective organizational and administrative procedures to manage and prevent any identified conflicts of interest which may damage the interests of the clients according to the size and organization of the Company, the nature, scale and complexity of its business. The procedures are ongoing monitored and reviewed to ensure that the internal controls are

## Independence

The procedures and controls that the Company follows to manage and prevent conflicts of interest that are necessary for the Company to ensure the requisite degree of independence are the following:

- 1) 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)
- 2) 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 are: Dealing Room
- 3) 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.
- 4) 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.
- 5) 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.

## Chinese Walls

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.

## **7. Disclosure of conflict of interest**

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carry out a transaction or provide an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client.

The disclosure will be made in sufficient time and in a durable mean and shall include sufficient detail, taking into account the nature of the client, to enable him to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises. Clients will be given the opportunity to decide on whether they would like to continue their relationship with us.

The company reserves the right to assess and periodically review, at least annually, and, if necessary, amend this Policy and arrangements, at its sole discretion, whenever it deems necessary, in order to address any deficiencies.

## **8. Record keeping**

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.



## 9. Review

The Company reserves the right to assess and periodically review, at least annually, and if necessary amend this Policy and arrangements, at its sole discretion, whenever it deems necessary, in order to address any deficiencies