



EXELCIUS  
PRIME

## CONFLICTS OF INTEREST POLICY



## Contents

I. PURPOSE	3
II. LEGAL FRAMEWORK	3
III. POLICY	4
III.I. PERSONAL TRANSACTIONS OF EMPLOYEES	5
III.II. REPORTING CONFLICTS OF INTEREST	6
III.III. IDENTIFYING AND MANAGING CONFLICTS OF INTEREST	6
V. REVIEW OF THIS POLICY	10
VI. CONTACT INFORMATION	10



*In the event of a conflict between Exelcius Prime Ltd and a Client, terms expressed in English and expressed in any other language, the terms expressed in English shall prevail over those expressed in any other language.*

## **I. PURPOSE**

Exelcius Prime Ltd, (hereinafter referred to as the “Company”) is an Investment Firm incorporated in the Republic of Cyprus through the Department of Registrar of Cyprus and Official Receiver with incorporation number HE351869 regulated by the Cyprus Securities and Exchange Commission (hereinafter referred to as the “CySEC”) with license number 366/18 and operated under the Markets in Financial Instruments Directive (EU Directive 2004/39/EC – MiFID) as in force and/or as this may be amended from time to time.

Under Applicable Regulations the Company is required to have arrangements in place to manage conflicts of interest between the Company and its clients and between other clients and take all reasonable efforts and steps to avoid conflicts of interest and when they cannot be avoided the Company shall ensure that clients are treated fairly and at the highest level of integrity and that their interests are protected at all times.

The purpose of this Policy is to specify the procedures 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, retain updated records of identified conflict of interest situations and to ensure that it complies with legislative requirements and the departmental and general procedures which are set by its Internal Procedures Manual.

## **II. LEGAL FRAMEWORK**

In accordance with applicable legal framework, Cyprus Investment Firms (“CIFs”) 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 CIF and the nature, scale and complexity of its business.

In addition, according to the Investment Services Activities and Regulated Market Law of 2017 (L.87 (I)/2017), CIFs 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, CIFs 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.



### III. POLICY

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 Senior Management of the Company. Any employee that suspects any conflict of interest must immediately inform the Senior Management 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.

In particular, the Company defines a conflict of interest as any situation where either the Company or an individual is in a position to exploit a professional or official capacity in some way for either corporate or personal benefit. Situations where conflicts of interest can occur include the following:

- a. 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;
- b. 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;
- c. 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;
- d. 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;
- e. 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.

It should be noted that the above circumstances which constitute or may give rise to a conflict of interest, are not conclusive. To be conclusive, the Company explicitly examines and investigates further each of the above circumstances on a case by case basis and undertakes additional due diligence measures in order to have solid evidence that the case in question constitutes indeed a conflict of interest.

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

- a. a member of the board of directors, partner or equivalent, manager or tied agent of the Company;
- b. a member of the board of directors, partner or equivalent, or manager of any tied agent of the Company;
- c. 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;



- d. 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;

Furthermore conflicts of interest may arise, between the following parties:

- a. Between the client and the Company;
- b. Between two clients of the Company;
- c. Between the Company and its employees;
- d. Between a client of the Company and an employee of the Company;
- e. Between Company's Departments.

### III.I. PERSONAL TRANSACTIONS OF EMPLOYEES

All employees of the Company that are involved in investment activities must be aware of the restrictions on personal transactions detailed below. This section 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 prohibited personal transactions are entered into, the Company must be notified promptly.

Employees of the Company that are involved in the provision of investment services or other activities must not enter into the personal transactions that which will cause the following:

- enter into a transaction prohibited under section 9 of the Insider Dealing and Market Manipulation (Market Abuse) Law;
- misuse or cause improper disclosure of confidential information;
- enter in a transaction that is likely to conflict with any obligations of the Company, or the employee, that are stated under the law.

Where the employee has come into contact with information which is not publicly available to clients or cannot readily be inferred from information that is so available, the employees must not act or 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.

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 also 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.

Any client's orders that have been relayed to any employees of the Company must not be disclosed to another party.

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.

### III.II. REPORTING CONFLICTS OF INTEREST

In the case of identification of a possible conflict of interest, a staff member must refer it initially to his immediate supervisor to assist in the assessment of a material risk of damage and send a completed Conflict of Interest Notification Form together with full details to allow regulatory scrutiny, of:

- corrective and preventive actions;
- how these actions were considered appropriate;
- any conditions imposed; and
- whether there are still ongoing conflicts, how these are being managed and advised to the client;
- to the Head of Compliance for inclusion within the reports reviewed by the Board of Directors.

### III.III. IDENTIFYING AND MANAGING CONFLICTS OF INTEREST

#### a. Independence

The following measures have been adopted by the Company for ensuring the requisite degree of independence:

1. Measures 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;
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.
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.
4. Employees do not relate their remuneration with clients' performance.
5. 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.
6. Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities such involvement may impair the proper management of conflicts of interest. Such measures include the following:
  - a) The Company implements procedures to control the flow of confidential or inside information.



- b) Chinese walls restricting the flow of confidential and inside information within the Company , and physical separation of departments. Communication of information and data between the various business units of the Company, whether the Company's officers and/or Employees have access to data in the possession of business units to which such access is not permitted so that to prevent the flow of confidential information in a way that which adversely affect the interest of the Clients. The Company's Compliance Department is responsible for maintaining such Chinese Walls, by means of regular checks and monitoring.
  - c) Procedures governing access to electronic data.
  - d) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
  - e) Establishment of Personal Transaction Policy covering the disclosure and requirements applicable to Relevant Persons in relation to their own investments.
  - f) A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
  - g) The prohibition of external business interests conflicting with the Company's interests as far as the Company officers and Employees are concerned, unless the written Board of Directors approval is provided.
  - h) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
  - i) Establishment of an in-house Compliance Department to monitor and report on the above to the Company Board of Directors. The Department will also update the relevant internal procedures and ensure compliance with such procedures.
  - j) Appointment of an Internal Auditor to ensure that appropriate systems and controls are in place and maintained which in turn shall evaluate and report to the Company 's Board of Directors.
  - k) Establishment of the four-eyes principle in supervising the Company 's activities.
7. The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;
  8. Relevant persons are required to immediately notify the Company in case they perceive that a conflict of interest may be created due to the undertaking of a specific task/work;
  9. All Clients are to be treated fairly;
  10. All the Company's representatives hold an authorisation/license or are in the process of obtaining an authorisation/license, if required, for performing and/or offering the services and/or business activities as applicable;
  11. In circumstances not covered by the points mentioned above and given the nature of a conflict of interest situation, the Compliance Department and/or the Senior Management shall decide whether to proceed with the relevant circumstance and notify the Client accordingly.
  12. The employees of the Company ensure that documents containing confidential information will not be accessible by unauthorized persons.
  13. All employees are bound by professional secrecy and confidential information is only being shared if this is deemed necessary for performing a job function.
  14. All employees are at all times bound to act loyally to the Company and be in full compliance with its procedures.
  15. All employees receive instructions and guidance regarding managing of conflicts of interest.
  16. Whenever the Company implements a bonus scheme, this is compounded of several elements and each trade related element does not alone affect the bonus significantly.



17. The persons providing investment services possess all the necessary certificates of professional competence required for providing the relevant services or have been granted with relevant exception from CySEC.
18. The Company takes all necessary steps to employ persons with the highest educational, ethical and professional courtesy standards, in line also with CySEC's Guidelines GD-IF-01 (Circular Co25).

**b. 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 medium 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 or not to continue their relationship with the Company with no unreasonable obstacles.

When the Company provides investment services, a related person or some other person connected with the Company or another Client may have an interest, relationship or arrangement that is material in relation to the services concerned or that it conflicts with the Clients' 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 conflicts of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services:

- The Company may receive or pay inducements to or from third parties or other Clients due to the referral of new Clients or Clients' trading.  
The Company may use entities which are connected to related persons as counterparties to transactions and/or receive other services or support from other such entities.

**c. 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. The following documentation shall be maintained for a minimum period of five years:

- this policy, any functional variations if applicable
- the Conflicts Log and the Conflicts Identification and Management Map;
- rules, procedures and processes;
- training material and training records;
- Conflicts of Interest Notification Forms;





- details of any review work carried out (including any decisions made on conflicts management); and
- any other documentation used to demonstrate the management of conflicts of interest.

Further to the above, the Compliance Department maintains a Conflicts of Interest Register of all circumstances in which a conflict of interest has been identified and/or arisen, containing the measures taken to mitigate or manage the conflict of interest identified and/or arisen, a description of the circumstances which constituted or may have constituted a conflict of interest, names of the persons involved, the name of the person responsible for the mitigation of the conflict, a description of the steps taken in order to mitigate the conflict - including client disclosures and subsequent resolutions. The Conflicts of Interest Register is updated any time a conflict of interest has been identified and/or arisen or may have arisen and is kept for the durations of the business relationship with the Client and for a minimum of five years after the conclusion of such business relationship.

#### **d. Responsibilities**

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 Conflict 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:

- fully engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest;
- 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;
- 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.
- 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;
- utilize management information to remain sufficiently up-to-date and informed; and
- support an independent review of the processes and procedures in place.

Individuals are required to identify new conflicts of interest arising out of the activities/services that they perform and engage in the process to notify line management upon identifying any potential conflict.

The Company's Conflicts Officer is the Head of Compliance who is responsible for the day to day management of the implementation of this policy. In particular, the Conflicts Officer, is responsible for:

- establishing the policy in relation to conflicts of interest;



- providing training oversight and aid;
- monitoring compliance with arrangements;
- the oversight of conflicts management;
- maintaining records in relation to conflicts of interest;
- reviewing and challenging the Conflicts Identification and Management Map; and
- providing appropriate internal reporting to the Board of Directors.

**e. Conflicts Deadlock**

Where line management cannot resolve a conflict to the satisfaction of all parties, the Head of Compliance will, as the Approved Person with responsibility for Compliance and Risk, have the final say.

## **V. REVIEW OF THIS POLICY**

The Company reserves the right to amend its policies at any time by making them public on its official website. Policies shall be reviewed/amended annually and/or as and when it is deemed necessary by Regulatory Authorities and the Compliance Officer and further approved by the Board of Directors. The client consents and agrees that the latest versions of any of the Documentation and/or Policies published on the Company's official website shall prevail as this has been communication via a durable medium. Additional information and/or clarifications in relation to this policy and/or this document is available upon explicit written request.

## **VI. CONTACT INFORMATION**

Any questions and/or clarifications with regards to the Policy should be addressed to the Company's Compliance Department at [info@exelciusprime.com](mailto:info@exelciusprime.com)