

INSTANT TRADING EU LTD

# Conflict of Interest Policy

V 3.0  
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## 1. INTRODUCTION

INSTANT TRADING EU LTD (the ‘**Company**’) is incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE 266937. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (‘**CySEC**’), with a licence No. 266/15, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the ‘**Law**’). The Company’s office is located at Spetson 23A, Leda Court, Block B, Office B203, 4000 Mesa Geitonia, Limassol, Cyprus.

According to the provisions of the Law, the Company is required to establish, implement and maintain an effective conflicts of interest policy (the “**Policy**”) designed to prevent conflicts of interest. The Policy must be set out in writing and be appropriate to the size and organisation of the Company and the nature, scale and complexity of its business.

Conflict of interest is defined as any situation where the financial interests and/or objectives of a Client are incompatible or in direct competition with the financial interests and/or objectives of:

- a) the Company, its appointed representatives/agents (hereinafter ‘relevant persons’) or any other person with direct or indirect links to the aforementioned; or
- b) another Client or a group of Clients.

However, the Company acknowledges that conflict of interest cannot be prevented all together, and in such situations the Company will disclose such conflict as soon as it is identified.

By opening a trading account with the Company a client (the “**Client**”) agrees/consents to the fact that the Policy has been disclosed to him/her and that it will be treated as in accordance with the conditions/specifications outlined in it.

## 2. SCOPE

The Policy aims to identify and prevent or manage conflicts of interest between the Company, including its managers, employees and tied agents, or any person directly or indirectly linked to them by control, and its clients or between one client and another, or combinations thereof, including those caused by the receipt of inducements from third parties or by the investment firm’s own remuneration and other incentive structures.

Specifically, the Policy:

- 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 entailing a risk of damage to the interests of one or more clients; and
- b) specifies the procedures to be followed and the measures to be adopted to prevent or manage such conflicts.

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Conflicts of interest should be regulated only where an investment service or ancillary service is provided by the Company. The status of the client to whom the service is provided — as either retail, professional or eligible counterparty — is irrelevant for this purpose.

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.

If a conflict of interest arises, the affected parties can be the Company, its employees or its clients. More specifically, a conflict of interest may arise between the following parties:

- a) the Client and the Company;
- b) two clients of the Company;
- c) the Company and its employees;
- d) a client of the Company and an employee/manager of the Company;
- e) the Company's Departments Reporting Conflicts of Interest.

### 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:

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

## 3. SITUATIONS OF CONFLICTS OF INTEREST

For the purpose of identifying the types of conflicts of interest that may arise, the Company shall take into account whether itself or a relevant person or a person directly or indirectly linked by control to the Company, may in the course of providing investment and ancillary services or a combination thereof:

- a) make a financial gain, or avoid a financial loss at the expense of the Client;

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- b) have interest in the outcome of a service provided to a Client, or of a transaction carried out on behalf of the Client, which differs from that Client's interest in the same outcome;
- c) have a financial gain or other incentive to favor the interest of the Client, or a group of Clients, over the interest of another Client or a group of Clients;
- d) receive from a person other than the Client 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;
- e) carry the same business as the Client;
- f) In respect of the Company, acting as a financial intermediary in Initial Public Offering (IPO), the Client should be informed whether the parties involved in the issue or offer hold equity securities of the issuer, or equity securities of any subsidiaries of the issuer, or have a direct or indirect economic interest that depends on the success of the issue, or have any understanding or arrangement with major shareholders of the issuer.

Specifically, given the Company's current business model, the following potential conflicts of interest have been identified:

- a) personal account dealing;
- b) inside and proprietary information;
- c) inducements;
- d) selection of service providers;
- e) remuneration of staff;
- f) access to electronic data;
- g) investment research;
- h) supervision and segregation of departments;
- i) 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;
- j) 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. 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;
- k) 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.

#### Personal Transactions of Employees

1. All employees of the Company that are involved in any 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.

2. Employees of the Company that are involved in the provision of investment services and the dissemination of investment research 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 N.166(I)/2005, 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.
3. 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.
4. 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 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.
5. 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.

In respect of these conflicts, the Company maintains and operates procedures with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to material risk of damage to the interests of the Company's clients.

#### **4. MANAGING CONFLICTS OF INTEREST**

The Company has established and implemented and shall maintain and operate effective organisational and administrative procedures with the purpose to prevent and/or manage any identified conflict of interest that may give rise to a risk of damage to the interests of the Client. As such the Company shall undertake measures and controls to ensure that relevant persons engaged in different business activities, involving a potential conflict of interest, carry on those activities in a manner that deters rise of conflict of interest as follows:

- a) exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest shall be limited to the amount of information needed to carry out their relevant duties and responsibilities, 'need-to-know' basis;
- b) establishment of 'Chinese Walls' restricting the flow of confidential information both through electronic systems, through establishment of security access levels, and physical separation of department location; 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

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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;

- c) relevant persons whose principal functions involve carrying out activities on behalf of or providing services to clients, whose interests may conflict, shall have a distinct separate supervision;
- d) removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- e) an inducement, gift or any other incentive log, registering the offer or receipt of benefits to relevant persons, as well as limits/controls where conflict of interest may arise from such inducement, gift or any other incentive;
- f) prohibition of inducement, gift or any other incentive to relevant persons when they hold key positions link with the related service or product offered by the Company;
- g) implement remuneration policy applicable to all relevant persons ensuring that their reward is not in conflict with the Clients best interest;
- h) implement personal account dealing policy for relevant persons in relation with their own investment trading conducts, stating that they must disclose any of their dealings to the Company;
- i) 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;
- j) limits and/or controls on the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services where such involvement may impair the proper management of conflicts of interest;
- k) relevant persons involved in multiple investment or ancillary services that may give rise to conflict, shall have their duties segregated;
- l) information in relation with a specific financial instrument or service which are disseminated to Clients, shall be produced by a relevant persons that has no direct interest to that instrument or service and must be approved by Compliance function prior dissemination;
- m) when selecting service providers, in the event of any personal relationship between the Company and the third party, or a person connected to them the Company takes this into account and considers potential conflicts or the appearance of conflicts in making its selection and as far as possible refrain connected parties from being involved in the actual decision making process.
- n) disclosure of any identified situation of Conflict of Interest to Clients.

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.

External business interests shall be subject to scrutiny and approval by Compliance function to test the level of Conflict of Interest that may arise if any.

**Marketing Communication:** The Company shall ensure that any such recommendation contains a clear and prominent statement that (or, in the case of an oral recommendation, to the effect that) it has been prepared in accordance with legal requirements designed to promote the independence of investment research and that it is not subject to any prohibition on dealing ahead of the dissemination of investment research. The Company shall ensure that the said communication is reviewed and approved by the Compliance Officer prior to distribution.

The Company's department whose interests may conflict with clients are:

Dealing Room

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.

## **5. RECORD KEEPING**

The Company shall maintain and regularly update a register of the kinds of investment service or activity carried out by 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 on-going service or activity may arise, including any actions taken, as well as any consents given.

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

- a) this Policy, any functional variations if applicable
- b) the Conflicts Log and the Conflicts Identification and Management Map;
- c) rules, procedures and processes;
- d) training material and training records;
- e) Conflicts of Interest Notification Forms;
- f) details of any review work carried out (including any decisions made on conflicts management); and
- g) Any other documentation used to demonstrate the management of conflicts of interest.

## **6. DISCLOSURES**

Where the measures are not sufficient to prevent or manage a conflict of interest relating to a Client, the Company will disclose the conflict of interest before proceeding with any further business transactions with the Client. The Company may refuse to proceed with the relevant transactions if the disclosure deemed to be not sufficient measure for managing the conflict, at the Company's discretion.

This Policy is subject to review and change as deemed necessary by the Company and the Company reserves the right to make any amendments as appropriate at any time. The Client will find the latest update of this Policy on the Company's website.

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## 7. UPDATING AND REVIEW OF THE POLICY

At least on an annual basis, the Company shall assess and review its Policy, and shall take all appropriate measures to address any deficiencies. The Company should avoid over-reliance on disclosure of conflicts of interest since it is considered a deficiency in the Company's overall Policy.

## 8. RESPONSIBILITIES

The Company's Chief Executive Officer 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:

- a) Fully engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest;
- b) Adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines and to ensure that informed judgements are made with respect to materiality;
- c) 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 conflict procedures forms part of the performance review/appraisal process, and that the best practice is shared throughout the Company.
- d) 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;
- e) Utilize management information to remain sufficiently up-to-date and informed; and
- f) Support an independent review of the process and procedures in place.

The Company's employees 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, (s)he, or his/her delegate, is responsible for:

- a) establishing the policy in relation to conflicts of interest;
- b) providing training oversight and aid;
- c) monitoring compliance with arrangements;
- d) the oversight of conflicts management;
- e) establishment of the four-eyes principle in supervising the Company's activities.;
- f) maintaining records in relation to conflicts of interest;
- g) reviewing and challenging the Conflicts Identification and Management Map; and
- h) providing appropriate internal reporting to the Board of Directors.

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



## 9. CLIENT'S CONSENT

By entering into an Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him/her. 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.