



# Conflicts of Interest Policy

January 2021

## **1. INTRODUCTION**

- 1.1 Holborn Assets Wealth Management (Cy) Ltd hereinafter referred to as the ‘Company’, with head office at 210 Amathountos Boulevard, 4534 Pyrgos, Limassol, Cyprus, is authorized and regulated by the Cyprus Securities and Exchange Commission (‘CySec’), with a license No. 394/20.
- 1.2 Under the Law 87 (I) 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 Customers 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.
- 1.3 The Company provides herein a summary of the policy it maintains in order to manage conflicts of interest in respect of the duties it owes to its Customers.

## **2. SCOPE OF THE POLICY**

- 2.1 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 Customers.

## **3. IDENTIFICATION OF CONFLICTS OF INTEREST**

- 3.1 For the purposes of identifying the types of conflict 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 Customer, 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 is likely to make a financial gain, or avoid a financial loss, at the expense of the Customer;
  2. The Company or a relevant person has an interest in the outcome of a service provided to the Customer or of a transaction carried out on behalf of the Customer, which is distinct from the Customer's interest in that outcome;
  3. The Company or a relevant person has a financial or other incentive to favor the interest of another Customer or group of Customers over the interests of the Customer;
  4. The Company or a relevant person participates in the same business as the Customer;
  5. The Company or a relevant person receives or will receive from a person other than the Customer an inducement in relation to a service provided to the Customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

## **4. PROCEDURES AND CONTROLS TO MANAGING CONFLICTS OF INTEREST**

- 4.1. In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures:
1. Effective procedures 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 Customers;
  2. The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, Customers whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
  3. The removal of any direct link between the remuneration of relevant persons principally engaged in 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. 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;
  5. A ‘need to know’ policy governing the dissemination of confidential or inside information within the Company;
  6. Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments;
  7. Procedures governing access to electronic data;
  8. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual;
  9. Personal account dealing requirements applicable to relevant persons in relation to their own investments;
  10. A gifts and inducements log registering the solicitation, offer or receipt of certain benefits. Prohibition of external business interests conflicting with the Company interests as far as the Company’s officers and employees are concerned, unless Board of Directors approval is provided;
  11. A policy designed to limit the conflict of interest arising from the giving and receiving of inducements;
  12. Appointment of Compliance Department to monitor and report on the above to the Company’s Board of Directors;
  13. Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to the Company’s Board of Directors;
  14. Establishment of the four-eye principle in supervising the Company’s activities;
  15. The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
  16. The Company employs rules and organizational arrangements in order to manage conflicts of interest which may arise from the production and/or dissemination of investment research to Clients by Company;

17. The Company establishes rules which are applicable to the Related Person who are involved in the production and/or dissemination of the investment research and other Related Person whose responsibilities or business interest may conflict with the interest of the persons to whom the investment research is disseminated;
18. The Company prohibits Related Person who are involved in the production and/or dissemination of the investment research to promise to any issuer of Financial Instruments that they will publish a favorable research on its behalf.

## **5. SPECIFIC IDENTIFICATION OF CONFLICT OF INTEREST AND MEASURES FOR THEIR MANAGEMENT**

The Company is constantly conducting an in-depth analysis of its business and organisational arrangements including best execution arrangements, inducement practices, remuneration practices and research/marketing communication procedures, to ensure that all likely conflict of interest situations are identified regardless of materiality. The Company has identified the following circumstances which give rise to a conflict of interest entailing a risk of damage to the interests of one or more Clients, as a result of providing investment services:

### **a) Remuneration of staff:**

The Company in accordance with its governing legislation does not remunerate its employees based on any factors that create conflicts of interest or are not in favor of the best interest of its Clients. The Company's employees are remunerated (fixed remuneration).

### **b) Commissions received by Company's Product Providers:**

The Company is paid commissions by the Product Providers with whom the investments are made. In order for the Company to manage the potential conflicts arising out of this practice, it has put in place certain procedures and arrangements regarding the commissions received by its Product Providers.

The Company has examined this and has recorded how the commissions/fees received from its Product Providers enhance the quality of the services provided to Clients and the steps taken in order not to impair the Company's duty to act honestly, fairly and professionally in accordance with the best interests of its Clients.

## **6. MEASURES IN RELATION TO THE COMPANY'S STRUCTURE / OUTSOURCED SERVICE PROVIDERS / RELATED PARTIES:**

(i) The Company has in place non-disclosure and confidentiality agreements with all related parties, outsourced service providers or members of the group in relation to Client's personal information;

(ii) The Company controls the information communicated between the Company's entities, related parties and outsourced service providers to ensure no harm to the Client's interests;

(iii) The Company maintains a register of all the related party/outsourced provider payments made and assesses them in terms of Conflicts that may negatively affect Client's interests. Where relevant these conflicts are disclosed in this Policy along with the mitigating factors applied to ensure the removal of any incentives for malpractice;

(iv) The Compliance Function has in place monitoring procedures for the services provided by related parties and outsourced service providers.

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## 7. 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 authorizes 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.

## 8. RECORD KEEPING

The Company shall maintain and regularly update the Conflict of Interest register. It shall log all the conflicts of interest that may arise as a result of the provision of investment and ancillary services by or on behalf of the Company and it may entail a risk of damage to the interests of one or more clients.

## 9. REPORTING

The Senior Management of the Company shall receive on a frequent basis, and at least annually, written reports on the situations referred to in paragraph 8 above.

## 10. DISCLOSURE OF INFORMATION

The Company must adequately consider how to manage all conflicts of interest before resorting to disclosure. This will be a last resort after all appropriate steps have been taken. 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.

### **The disclosure will:**

- be in a durable medium;
- clearly state that the organisational and administrative arrangements established by the Company to prevent or manage the conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Client will be prevented;
- include a specific description of the conflicts of interest that arise in the provision of investment services and ancillary services;
- explain the risks to the Client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks;
- include sufficient detail, taking into account the nature of the Client, to enable the Client to make an informed decision with respect to the services in the context of which the conflict of interest arises.

If a Client decides not to go ahead with the service due to the conflict disclosed, the Company will have no choice but to decline the provision of services if the conflict cannot be effectively managed.

## 11. AMENDMENT OF THE POLICY

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate and will inform the Client accordingly. The latest version of the Policy will also be available at [www.holbornassets.com.cy/legal/](http://www.holbornassets.com.cy/legal/)



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