

## **SUMMARY OF CONFLICTS OF INTEREST POLICY**

### **1. Introduction**

This summarized Conflicts of Interest Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 L. 87(I)/2017 (“the Law”), pursuant to which Charlgate Ltd (“the Company”) is required to take all appropriate 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 Clients 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.

The purpose of this document is to set out the Company’s approach in identifying and managing conflicts of interest which may arise during the course of its normal business activities. In addition, this document identifies circumstances which may give rise to a conflict of interest.

### **2. Scope**

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 Clients.

### **3. General Identification of Conflicts of Interest**

When the Company deals with the Client, the Company, an associate or some other person connected with the Company may have an interest, relationship or arrangement in relation to the Transaction concerned or that it conflicts with the Client’s interest.

The Company has identified the following 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, as a result of providing investment services:

- (a) the Company may be matching the Client’s orders with that of another Client by acting on such other Client’s behalf as well as on the Client’s behalf;
- (b) the Company may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the Client’s personal objective of minimizing transaction costs;

- (c) the Company's bonus scheme may award its employees based on the trading volume etc.;
- (d) the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;
- (e) the Company or a Related person has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- (f) the Company or a Related person has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
- (g) the Company or a related person carries on the same business as the Client.

#### **4. General Procedures and Controls for Preventing and Managing Conflicts of Interests**

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures (list is not exhaustive):

- (a) The Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
- (b) The Company undertakes effective procedures to prevent or control the exchange of information between Related 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.
- (c) The separate supervision of Related Persons whose principal functions involve providing services to Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- (d) Measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services.
- (e) Measures to prevent or control the simultaneous or sequential involvement of a Related Person in separate investment services where such involvement may impair the proper management of conflicts of interest.
- (f) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.

- (g) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- (h) Procedures governing access to electronic data.
- (i) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- (j) Personal account dealing requirements applicable to Related Persons in relation to their own investments.
- (k) Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors.
- (l) Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's board of directors.
- (m) A "need-to-know" policy governing the dissemination of confidential or inside information within the Company.
- (n) Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- (o) Establishment of the "four-eyes" principle in supervising the Company's activities.

## **5. 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 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 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.

## **6. Specific Identification of Conflicts 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 investment 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) Commissions received by its Liquidity Provider:

The Company's Liquidity Provider pays the Company a rebate commission for the order flow sent for execution. In order for the Company to manage the potential conflicts arising out of this practice, it has put in place the below procedures and arrangements regarding the commissions received by its Liquidity Provider:

- (i) The Company has examined this and has recorded how the commissions received from its Liquidity Provider 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.
- (ii) The Company declares that this benefit does not induce it to favour the particular Liquidity Provider over other Liquidity Providers and it is confident that the Client would be better off under this arrangement compared to the use/employment of other arrangements (including other Liquidity Providers).

## **7. 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.

#### **8. Amendment of the Policy and Additional Information**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Company and the Client.

Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to [Compliance@icmtrader.eu](mailto:Compliance@icmtrader.eu) .