



# Conflicts of Interest Policy

JANUARY 2021

**IC MARKETS LTD**, with company registration number 76823 C, is authorised and regulated by the Securities Commission of The Bahamas with license number SIA-F214 and its Head Office is located at the Western Business Centre, Unit 3B Upper Floor, Western Road, New Providence, Nassau, The Bahamas.

## 1. Introduction

IC Markets Ltd (hereinafter the “**Company**”), with company registration number 76823–C, is authorised and regulated by the Securities Commission of The Bahamas (hereinafter the “**Commission**”) with license number SIA-F214 and its Head Office is located at the Western Business Centre, Unit 3B Upper Floor, Western Road, New Providence, Nassau, The Bahamas.

Under applicable legislation, the Company takes all reasonable steps to identify and to prevent or manage conflicts of interest between itself, including its managers, employees and tied agents, or any person directly or indirectly linked to it by control, and its clients or between one client and another, that arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of inducements from third parties or by the Company’s own remuneration and other incentive structures. 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.

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 Clients.

## 2. Scope of the Policy

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.

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.

## 3. Identification of Conflicts of Interest

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 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 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 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.
- (3) The Client or a Relevant Person 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 participates in the same business as the Client.
- (5) The Company or a Relevant Person 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 monies, goods or services, other than the standard commission or fee for that service.

Specifically, given the Company's current business model, the following 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; and
- G. Supervision and segregation of departments.

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. Procedures and Controls to Managing**

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures:

- a) Effective procedures 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.
- b) The separate supervision of Relevant Persons whose principal functions involve carrying out activities on behalf of our providing services to Clients whose interests may conflict, who otherwise represent different interests that may conflict, including those of the Company.
- c) The removal of any direct link between the remuneration of Relevant Persons principally engaged in one activity, where a conflict of interest may arise in relation to those activities.
- d) 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.
- e) A "need to know" policy governing the dissemination of confidential or inside information within the Company.
- f) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- g) Procedures governing access to electronic data.
- h) Segregation of duties that may give risk to conflicts of interest if carried on by the same individual.

- i) Personal account dealing requirements applicable to Relevant Persons in relation to their own investments.
- j) 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.
- k) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
- l) Appointment of Compliance Department to monitor and report on the above to the Company's Board of Directors.
- m) Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- n) Establishment of the Four-Eye principle in supervising the Company's activities.
- o) The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

#### **A. Personal account dealing:**

The Company has implemented a personal account dealing policy, with which staff, and related persons under their control, must comply. At the commencement of their functions, members of staff are required to commit to comply with this policy.

All transactions in financial instruments by staff and relevant persons must be reported to the Compliance Officer promptly. These transactions must include precise dates and timings and any authorization or prohibition in connection with such a transaction.

#### **B. Inside and proprietary information:**

Staff members, who, in pursuit of the Company's business activities, possess inside or proprietary information must preserve its confidentiality and disclose it only to other staff who have a valid business reason for receiving it. Members of staff who believe they have received inside information from any source must immediately contact the Compliance Officer. The Company and its staff members cannot use or further disclose the information where it has been received.

Additionally, the Company has established "Chinese walls" 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. Specifically, the Chinese walls have been established between the following departments/functions:

- Dealing on own Account; and
- Reception and Transmission of orders.

#### **C. Inducements:**

##### ***Personal gifts***

The Company operates a personal gifts policy, which is applicable to benefits or inducements to staff which might be seen as conflicting with their duties to the Company or to any of the Company's clients. To address conflicts of interest that may arise when a member of staff accepts a gift, the Company applies a general rule that always any such gifts cannot exceed the amount of EUR100.

##### ***Receipt of fees and commission***

The Company is not paying or is being paid any fee or commission or providing or being provided with any non-monetary benefit in connection with the provision of an investment service or ancillary service to the client, unless the fee, commission or non-monetary benefit is designed to enhance the quality of the relevant service to the client.

A fee, commission or non-monetary benefit shall be considered to be designed to enhance the quality of the relevant service to the client if all of the following conditions are met:

- I. it is justified by the provision of an additional or higher-level service to the relevant client, proportional to the level of inducements received, such as:
  - a) the provision of non-independent investment advice and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having no close links with the investment firm;
  - b) the provision of non-independent investment advice combined with either: an offer to the client, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the client has invested; or with another on-going service that is likely to be of value to the client such as advice about the suggested optimal asset allocation of the client; or
  - c) the provision of access, at a competitive price, to a wide range of financial instruments that are likely to meet the needs of the client, including an appropriate number of instruments from third party product providers having no close links with the investment firm, together with either the provision of added-value tools, such as objective information tools helping the relevant client to take investment decisions or enabling the relevant client to monitor, model and adjust the range of financial instruments in which they have invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments.
- II. it does not directly benefit the recipient firm, its shareholders or employees without tangible benefit to the relevant client;
- III. it is justified by the provision of an on-going benefit to the relevant client in relation to an ongoing inducement.

In relation to any payment or benefit received from or paid to third parties, the Company shall disclose to the client the information required by the relevant Law.

#### **D. Selection of 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. As far as possible, the connected party should refrain from being involved in the actual decision-making process.

The Company prevents conflicts arising regarding the selection of a service provider by not accepting or providing fees, commissions and non-monetary benefits which do not directly enhance the service offered.

#### **E. Remuneration of staff:**

Staff remuneration is carefully considered to ensure that conflicts do not inadvertently arise through targets that inappropriately incentivise staff members to behave in a manner that disadvantages the interests of clients in favour of the Company.

As a policy, none of the Company's employees and/or Directors can be remunerated based on the successful promotion of certain products or financial instruments over others.

Additionally, in no case will the variable remuneration component exceed 100 % of the fixed component of the total annual remuneration for each individual.

**F. Access to electronic data:**

The Company has a security policy in place, which governs the access to electronic data so that the persons engaged in each department do not have a direct physical access to records and information concerning the subject matter of another department and which are not considered necessary for the execution of specific work. Specifically, separate permissions and access rights are provided for the various departments.

**G. Supervision and segregation of departments**

The Company maintains separate supervision and segregation of departments / functions which provide services to clients, whose interests may conflict with those of other clients or with the interests of the Company.

**5. DISCLOSURE**

When the Company becomes aware of a situation where a conflict arises, the Company will disclose it to the Customer in a durable medium (electronic communication such as email shall be treated as appropriate in this context) prior to undertaking investment business from that particular Client, or if the Company does not believe that disclosure is appropriate to manage the conflict, the Company may opt not to proceed with the transaction or matter giving rise to the conflict.

The Company reserves the right to review and/or amend its Policy and arrangements whenever deemed appropriate.

**6. ENQUIRIES**

For any enquiries about the Company's Conflict of Interest Policy, please contact our Compliance Department at [resolution@icmarkets.com](mailto:resolution@icmarkets.com).