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# CONFLICT OF INTEREST POLICY

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## Conflict of Interest Policy

### INTRODUCTION

PriorFX LTD (hereafter the “Company”) is an Investment Firm authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the License number 221/13. The Company is incorporated and registered under the laws of the Republic of Cyprus under the certificate registration number HE 321360. The head offices of the Company are located at 196 Arch. Makarios III Ave., Ariel Corner, 3030 Limassol, Cyprus.

This document sets out the Company policy to effectively manage any conflicts of interest that may arise in carrying out its business. This Conflict of Interest Policy is established in accordance with the Markets in Financial Instruments Directive (MiFID) as well as the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) and the Cyprus Securities and Exchange Commission (CySEC, License No. 211/13) directives.

Senior Management is responsible for ensuring that the Company’s systems, controls and procedures are adequate to identify and manage conflicts of interest. It also ensures that all the arrangements made under this policy operate effectively.

“Financial instrument” shall mean Foreign Exchange, Spot Metals and Contracts for Difference.

### Provision of services

The Investment Services to be provided by the Company to the Client are:

- The Reception and Transmission of Orders in relation to one or more Financial Instruments.

The Ancillary Services to be provided by the Company to the Client are:

- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- Foreign exchange services where these are connected to the provision of investment services.

In relation to:

- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
- Financial Contracts for Differences.

The Company lists on its website the Transactions that the Client can conclude with the Company and the Financial Instruments that the Client can buy or sell. The Company reserves the right to amend the Transactions and the Financial Instruments concerned without prior notice.

Please note:

The Services provided by the Company do not include the provision of Investment Advice.

## 1. OBJECTIVES

The conflict of interest policy aims to ensure that the Company's clients are treated fairly and at the highest level of integrity and that their interests are protected at all times. It also aims to identify conflicts of interest between:

- The Company and a Client
- A Relevant Person and a Client
- A Company of the Group and a Client
- Two or more Clients of the Company in the course of providing services to these Clients
- A Company service provider and a Client

In addition it aims to prevent conflicts of interest from adversely affecting the interest of its Client.

## 2. CONFLICTS OF INTEREST POLICY

Our Conflicts of Interest Policy sets out how:

- The Company will identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to our Clients' interests;
- The Company has established appropriate mechanisms and systems to manage those conflicts;
- The Company maintains systems designed to prevent damage to our Clients' interests through identified conflicts.

## 3. IDENTIFICATION OF CONFLICTS OF INTERESTS

The Company takes adequate steps to properly identify conflicts of interest.

In identifying conflicts of interest, the Company will take into account situations where the Company or an employee or a Relevant Person:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- 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;
- Has a financial or other incentive to favor the interest of one Client over another;
- Carries out the same business as the Client; or
- Receives from a person other than a Client an inducement in relation to a service provided to a Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

## 4. POTENTIAL CONFLICTS OF INTEREST

Taking into consideration the services the Company offers, potential conflicts of interest

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**Risk Warning.** Please note that trading in forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before undertaking any such transactions you should ensure that you fully understand the risks involved and seek independent advice if necessary.

circumstances may include, but are not limited to:

- Reception and Transmission of Orders.

Below are non-exhaustive examples of what may be considered typical conflicts of interest that may arise in relation to investment services provided by the Company:

- A transaction is effected in a financial instrument in respect of which the Company, or its director or employee, is contemporaneously trading or has traded on its own account or has either a long or short position;
- The Company or Relevant Person receives substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interest of the Client of the Company;
- A transaction is effected in a financial instrument in respect of which the Company may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a client, and/or the Company may also be remunerated by the counterparty to any such transaction;
- A transaction is effected in units or shares of connected investment trusts or unit trusts or open-ended investment companies or of any Company of which the Company or an affiliated Company is the manager, authorised corporate director, operator, banker, adviser, custodian, administrator, trustee or depository.
- Introducing agents may have other interests than the Company and/or their clients.

## 5. IDENTIFYING AND MANAGING CONFLICTS OF INTERESTS

Should a conflict of interest arise, it must be managed promptly and fairly. The Company has in place arrangements to ensure that:

- There is a clear distinction between the different departments' operations;
- No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- The Company's employees are prohibited from investing in a financial instrument for which they have access to non-public or confidential information;
- Transactions by the Company's employees are neither performed nor executed by themselves, but by another member of staff of the Company;
- Employees sign a contract of employment including confidentiality clauses. No associated person may disclose inside information to others, except disclosures made in accordance with the Company's policies and procedures, to other Company personnel or persons outside the Company who have a valid business reason for receiving such information;
- There are effective procedures in place to control the flow of information where, otherwise, the risk of conflict of interest may harm the interest of a Client;
- Relevant information is recorded promptly in a secure environment to enable identification

and management of conflicts of interests;

- Adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- Where necessary, Relevant Persons are subject to personal account transaction rules;
- In certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- There is a periodic review of the adequacy of the Company's systems and controls.

## **6. INFORMATION BARRIERS**

The Company respects the confidentiality of information it receives regarding its Clients and operates a "Need to Know" approach and complies with all applicable laws in respect of the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a Client of the Company.

The Company has established and operates internal organizational arrangements to avoid conflicts of interest by controlling, managing or restricting, as deemed appropriate, the flow of confidential information between different areas of business or within a specific division or department. In particular, Chinese Walls are a key tool for conflict of interest prevention, avoiding insider dealing and market manipulation risks. Chinese Walls can involve separation of premises, personnel, reporting lines, files and IT-systems and controlled procedures for the movement of personnel and information between the Company and any other part of the Company Group. The Company maintains permanent information barriers between different departments

## **7. POLICIES AND PROCEDURES**

The Company has developed and implemented policies and procedures throughout its business to prevent or manage potential conflicts of interest. Our employees receive guidance and training in these policies and procedures, and they are subject to monitoring and review processes.

## **8. SEPARATE SUPERVISION/FUNCTIONS**

There is a clear distinction between the different departments' operations. Two departments or businesses will be managed by different senior staff members, if running them under supervision of one person may create conflicts of interest. In this way it is secured that no single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized. Furthermore we have established the four-eye principles in supervising the Company's activities.

## **9. PAY**

Pay and bonuses are linked to the profits of the Company or the business or department where an employee works. Pay and bonuses linked to the performance of another department, with possible conflicting interests, will be avoided at all times.

## **10. INDUCEMENTS**

The Company does not offer, solicit or accept any inducements, other than the following:

- A fee, commission or non-monetary benefit provided to or by a client or a person on behalf of a client;
- A fee, commission or non-monetary benefit provided to or by a third party or a person acting on behalf of a third party, under the following conditions:
  - the fee, commission or benefit is disclosed to a client, prior to the provision of the relevant service; and
  - it is designed to enhance the quality of the relevant service to a client and in line with the Company's duty to act in the best interests of a client.
- Proper fees for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients.

## **11. EMPLOYEE'S ACTIVITIES OUTSIDE THE COMPANY**

Our employees are subject to rules designed to avoid conflicts of interest with activities they undertake outside our Company.

## **12. GIFTS**

Our employees will not accept any gifts other than those considered normal in their line of business. Excessive gifts from Clients may result in a conflict of interest, something we are committed to avoiding.

## **13. DISCLOSURE**

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect Clients' interests, the conflict will be disclosed to allow the Client to make an informed decision on whether to continue using our service in the situation concerned.

## **14. DECLINING TO ACT**

We may decline to act for a Client in cases where we believe a conflict of interest cannot be managed in any other way.

## **15. MONITOR / REVIEW**

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The Company has the right to amend the current Policy at its discretion and at any time it considers is suitable and appropriate. The Company shall review and amend the current policy at least on an annual basis.

Where organizational or administrative arrangements made by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, it shall clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business on its behalf.

## **16. FURTHER INFORMATION**

Further information on these conflict management methods is available from your usual contact or our Compliance Department.