

CONFLICT OF INTEREST POLICY



Conflict of Interest Policy

ABC Markets LLC (hereinafter called the “Company”) is a financial services provider, registered under the Financial Services Authority registered and existing in the jurisdiction of Saint Vincent and the Grenadines under registration number 603 LLC 2020. It is compulsory for the Company to provide its existing and potential clients a summary of its Conflict of Interest Policy (hereinafter the “Policy”).

“Conflict of interest” means any situation in which the Company or its representatives has an actual or potential interest that may, in rendering a financial service to a client influence the objective performance of his, her or its obligations to that client; or prevent the Company or its representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to:

- a financial interest*;
- an ownership interest;
- any relationship with a third party (“third party”) means
- a product supplier,
- another provider,
- an associate of a product supplier or a provider;
- a distribution channel; and
- any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

Our Conflict of Interest Policy sets out how:

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

1. SCOPE OF THE POLICY

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. The purpose

of the policy is to identify and prevent conflicts of interest, which may arise between:

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

In addition, it aims to prevent conflicts of interest from adversely affecting the interest of its Client. The policy applies to all its directors, employees, or any persons directly or indirectly linked to the Company (hereinafter called the “relevant persons”).

2. IDENTIFICATION OF CONFLICTS OF INTEREST (TYPES OF CONFLICTS)

For the purposes of identifying the types of conflicts 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:

- a. The Company or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b. 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;
- c. The Company or a relevant person carries on the same business as the client;
- d. 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.
- e. The Company 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.

3. CONTROL OF CONFLICTS OF INTEREST

The company has established the following procedures to avoid any conflicts of interest. The procedures are constantly monitored and reviewed in order for corrective measures to be implemented if any loopholes are identified.

3.1 In general, the procedures to be followed and measures to be adopted in order to manage such conflicts to ensure the necessary degree of independence include the following:

- 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 clients.
- The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- 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.
- 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.
- Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

3.2 More specifically, some of the procedures already established are as follows:

- Company Employees must comply with all rules, regulations and directives of the competent authorities, and the code of ethics of the company.
- Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- Gifts and inducements log registering the solicitation, offer or receipt of certain benefits.

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- Company Employees are strictly forbidden to trade for themselves either on ABC Markets platform or on any other platform either directly or through an intermediary/related party unless they seek prior approval from management and that their accounts are clearly marked as employee accounts.
 - Company Employees must report to their supervisor any potential conflict of interest related to a proposed transaction.
 - Company Employees must report to their supervisor any special relationship they or any related party might have with a proposed transaction that might affect their judgement.
 - Company Employees must consider commission rates, and the ability to maintain anonymity, and minimize market impact.
 - Company Employees must not trade on material non-public information. In the case that an employee holds material non-public information he must report it to the supervisor or the compliance officer and in such case the financial instrument will be placed either in the restricted list or the watch list.
 - The compliance officer will be responsible for ensuring the priority of client interests. Because personnel, regulations, business practices, and products constantly change, the role of the compliance officer (particularly the role of keeping the firm up to date on such matters) is that much more important. In this regard, each staff member will annually confirm in writing that they have received training on the policies and agree to abide by its terms.
 - The compliance officer documents and acts expeditiously to address any compliance breaches and take appropriate disciplinary action on their own authority, independent of management as warranted. If the compliance officer is unable to resolve any breaches on his own, he should sequentially seek the assistance of senior management or Board of Directors or outside counsel as needed. The compliance officer should report violations and other issues related to the procedures on a regular basis to the Board of Directors or the supervisor.
 - Physical separation of departments. Chinese walls restricting the exchange of information within the Company. Information barriers will be in place to prevent communication of material information and other sensitive information so as to control the flow of such information.
 - Segregation of duties that may give rise to conflicts of interests if carried on by the same individual.

- Procedures governing access to electronic data.
- Material information will be confined only to persons who have a need to know that information in order to carry out their responsibilities.
- Establishment of the “four-eyes principle” in supervising the Company's activities.

4. CONFLICTS OF INTEREST DISCLOSURE

If during the course of a business relationship with a Client or group of Clients, the Company 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.

Where we identify that an actual or potential conflict of interest exists, we will notify you in writing of that fact to enable you to make an informed decision about whether or not you wish to proceed.

5. CONFLICTS OF INTEREST RECORDING

ABC Markets LLC will keep and maintain a record of circumstances in which a conflict of interest may, arise, or has arisen, as a result of the activities carried out by the Company.

6. STAFF UNDERSTANDING

All of our employees are made aware of this policy to highlight and emphasize the importance of identifying and managing conflicts of interest. Comprehensive training on the Conflict of Interest policy will be provided to all employees and representatives at least annually.

7. ACT OF DECLINE

ABC Markets LLC may decline to act for a Client in cases where the Company believe a conflict of interest cannot be managed in any other way.

ABC Markets LLC or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of Financial Services Providers from time to time, and as set out in clause 8 below.

ABC Markets LLC may not offer any financial interest to its representatives for giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients; or giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

8. ACCEPTED FINANCIAL INTEREST AS AMENDED

The Financial Services Provider or its representatives may only receive or offer financial interest from or to a third party as follows:

- a. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
- b. Commission authorised under the Medical Schemes Act;
- c. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act, if those fees are reasonably commensurate to a service being rendered;
- d. Fees for the rendering of a financial service in respect of which commission or fees referred to in sub-paragraph (a), (b) or (c) is not paid, if those fees:
 - i. are specifically agreed to by a client in writing; and
 - ii. may be stopped at the discretion of that client.
- e. Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;
- f. Subject to any other law, an immaterial financial interest**;
- g. a financial interest, not referred to under sub-paragraphs (a) to (f), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof

9. MODIFICATION OF THE POLICY AND ADDITIONAL INFORMATION

The Company policy is reviewed on a regular basis and at least on an annual basis, besides that the Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate without notice to the Client.

This Policy was approved by the Board of Directors of ABC Markets LLC on 25 September 2020.

Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to our Compliance Department: compliance@abcmarkets.io.

10. NAMES OF ANY THIRD PARTIES IN WHICH ABC MARKETS LLC HOLDS AN OWNERSHIP INTEREST

ABC Markets LLC does not hold an ownership interest in third party Companies.

NOTES

* "Financial interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- a. an ownership interest;
- b. training, that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products; general financial and industry information; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

** "Immaterial financial interest" means any financial interest with a determinable monetary value, the aggregate of which does not exceed USD 100 in any calendar year from the same third party in that calendar year received by:

- a. a provider who is a sole proprietor; or
- b. a representative for that representative's direct benefit; or
- c. a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.