



# CONFLICTS OF INTEREST POLICY

## **SAXO CAPITAL MARKETS UK LTD**

Company registered in England & Wales no: 07413871

Registered office at: 40 Bank Street, Canary Wharf, London E14 5DA. United Kingdom

Authorised and regulated by the Financial Conduct Authority, FRN: 551422

## **1. INTRODUCTION**

This Policy is issued pursuant to, and in compliance with, EU Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments Directive (as amended) ("MiFID") and the rules of the Financial Conduct Authority implementing MiFID in the UK (the "FCA Rules") that apply to Saxo Capital Markets UK Ltd ("SCML"). Specifically, this Policy is issued in compliance with FCA's Principle 8 and Principle 6, as well as the requirements stipulated in SYSC 10 of the FCA Handbook.

This Policy is a supplement to SCML's overall general obligation to act with integrity and fairness, both towards its clients and its counterparties. SCML is committed to professionally managing and, as appropriate, disclosing potential conflicts of interest which may arise in its constituent businesses. Conflicts of interest may arise between the firm and its clients, or between one client and another client. SCML reserves the right to amend or supplement this Policy at any time.

## **2. IDENTIFICATION & GENERAL DISCLOSURE OF THE NATURE OF POTENTIAL CONFLICTS OF INTEREST AND OF THEIR SOURCES**

SCML hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially, but not necessarily, may be detrimental to the interests of one or more clients. Such a conflict of interest may arise if SCML, or any person directly or indirectly controlled by SCML or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client. SCML has identified the following circumstances which may give rise to a conflict of interest:

- A. SCML may have an interest in maximising trading volumes in order to increase its commission revenue, which is inconsistent with the client's personal objective of minimising transaction costs.
- B. SCML may pay inducements to a third party for the referral of new clients where the amount of remuneration received by the third party is based on the fees earned from the clients.
- C. SCML and its employees may misuse the information that is available to them due to the nature of the business or their job function to make a financial gain or avoid financial loss to the detriment of clients.
- D. Some senior SCML employees have global roles within the Saxo Bank Group. An appropriate degree of separation and independence on an on-going basis is therefore expected from these 'double hatted' SCML individuals.

## **3. REGISTRATION OF CONFLICTS OF INTEREST**

SCML maintains a register of the investment services, activities and ancillary services carried out by or on behalf of SCML which have given, or could give rise to a conflict of interest which may be detrimental to the interests of one or more clients. The information in the register facilitates the management of conflicts of interest and potential conflicts of interest.

## **4. MANAGING CONFLICTS OF INTEREST**

SCML maintains processes, procedures and organisational arrangements to manage actual and potential conflicts of interest which include the following:

- A. SCML is not permitted to undertake any proprietary trading and therefore SCML is not impaired by any proprietary trading interests from acting in a client's best interest.
- B. All employees are bound by professional secrecy and access to confidential information is only permitted if essential for performing a job function.
- C. All clients are to be treated fairly.
- D. All employees are bound by the Gifts and Hospitality Policy which does not allow the employee to solicit or accept any gift or inducement which may influence their independence or create a conflict with the duty owed to SCML of its clients.

- E. All employees are at all times bound to act in full compliance with SCML's policies and procedures.
- F. All employees receive instructions and guidance regarding the managing of conflicts of interest.
- G. All employees are bound by the Personal Account Dealing Policy and transactions undertaken by employees are actively monitored.
- H. All employees are prohibited from engaging in other external business interests unless granted prior consent by the senior management.
- I. SCML's Risk Committee continuously monitors the effectiveness of its policies and procedures for managing conflicts of interest.

## 5. DISCLOSURE OF CONFLICTS OF INTEREST

If the measures in place are not sufficient to fully avoid or manage a conflict of interest relating to a client, SCML will disclose the conflict of interest before undertaking further business with the client.

## 6. REVIEW OF CONFLICTS OF INTEREST POLICY

This document will be reviewed at least annually, with interim reviews being triggered in the event of a material and significant change. Broadly, instances warranting an interim review of this policy are included in the table below.

<b>Review Frequency</b>	<b>Description</b>
<b>Annual</b>	<b>Full review</b>
<b>Interim Review</b>	<b>Change of status of identified conflict – Analysis of changes and client impact</b>
<b>Interim Review</b>	<b>Identification of a new conflict – Analysis on new conflict and client impact</b>