



# **POLICY FOR MANAGING CONFLICTS OF INTEREST**

## **SAXO CAPITAL MARKETS UK LIMITED**

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

- 1.1 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 subsequent changes to 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.
- 1.2 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.
- 1.3 This Policy is available to SCML's clients upon request and is also made available on our [website](#). SCML reserves the right to amend or supplement this Policy at any time.
- 1.4 Heads of the different business sections in SCML are responsible for identifying, preventing and managing conflicts of interests in their section.
- 1.5 As a preventive measure the organisational setup will be assessed on an ongoing basis and to the extent possible and where deemed proportionate the organisational setup in SCML will be changed to prevent potential conflicts of interest.

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

- 2.1 SCML hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially but not necessarily 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. Where deemed proportionate and necessary organisational and/or structural preventive measures will be taken. SCML will manage conflicts of interest fairly.
- 2.2 SCML has identified the following circumstances which may give rise to a conflict of interest:
- 2.3 SCML may provide advice to clients whose interests may be in conflict or competition with other clients' interests;
- 2.4 SCML may have an interest that is contrary to clients' transactions, e.g. when clients trade in markets where SCML acts as a market maker or when SCML wishes to invest in the same instrument as a client;
- 2.5 When acting as market maker SCML may manage its own risk by hedging in the market which may affect market levels and thus affecting client levels including stop-loss levels. Furthermore, SCML may profit from its hedging activity even though the client's transaction declines in value;
- 2.6 SCML, its employees and related legal persons may have, establish, change or cease to have positions in securities, foreign exchange or other financial instruments covered by an investment recommendation or advice provided by ;
- 2.7 SCML's employees may trade in securities or other financial instruments on behalf of the clients knowing that the trades will be beneficial to SCML, its employees' or related persons' positions in the same instruments;
- 2.8 SCML 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;

- 2.9 SCML's bonus scheme may award its employees based on the trading volume etc.
- 2.10 SCML may receive or pay inducements to or from third parties for the referral of new clients where the amount of remuneration is based on the fees earned from the clients.
- 2.11 SCML, its employees and related legal persons may have interests in business competing with SCML's clients.
- 2.12 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.
- 2.13 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.
- 2.14 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 hat- ted' SCML individuals.

### 3 REGISTRATION OF CONFLICTS OF INTEREST

- 3.1 SCML maintains a register of the invest- ment services, activities and ancillary ser- vices carried out by or on behalf of SCML which have given, or could give rise to a conflict of interest which may be detri- mental to the interests of one or more cli- ents. The information in the register faci- litates the management of conflicts of inter- est and potential conflicts of interest.

### 4 MANAGING CONFLICTS OF INTEREST

- 4.1 In order to manage possible con- flicts of interest, SCML maintains processes, procedures and organi- zational arrangements, which are referred to hereinafter.
- 4.2 Critical arrangements of SCML's Policy for managing conflicts of in- terest include the following:
- 4.3 All employees are bound by profes- sional secrecy and confidential in- formation is only to be shared if es- sential for performing a job function;
- 4.4 All employees are at all times bound to act loyally to SCML and be in full compliance with its proce- dures;
- 4.5 All employees are obliged to imme- diately inform SCML of any inter- ests the employee or the employ- ee's related legal persons may have in any business competing with SCML or SCML's clients and which could give rise to a potential conflict of interest;
- 4.6 All employees receive instructions and guidance regarding managing of conflicts of interest;
- 4.7 SCML is primarily a trading facilita- tor and will in general hedge all cli- ent orders on either a one-to-one or aggregated basis. For this reason SCML will in general neither have any financial gain nor any other gain by situations where customers experience losses as a conse- quence of market movements.
- 4.8 SCML will only hedge for such pur- poses and in a manner that is not meant to disadvantage the client or disrupt the market;
- 4.9 All clients are to be treated fairly and with transparency;
- 4.10 Our parent company, Saxo Bank A/S aims at making available re- search publications to clients, pro- spective clients and other third per- sons of SCML for information and educational purposes as part of its investment management activities

- and in circumstances in which Saxo Bank A/S will not reasonably be expected to have a material influence on a client's or a third person's investment decision;
- 4.11 Research /recommendations published by Saxo Bank A/S contain information on any material interests or conflicts of interest that Saxo Bank A/S or its related legal persons or the research analyst responsible for the publication/recommendation has in relation to the securities or the issuer to whom the publication/recommendation pertains and information on Saxo Bank A/S's organizational and administrative arrangements for managing conflicts of interest in connection with such publications/-recommendations. Employees who issue such publications/recommendations need to wait at least 24 hours from the time of the publication before they trade the security themselves;
  - 4.12 Research publications/recommendations undertaken by Saxo Bank A/S are internally distributed exclusively at the same time as they are distributed to clients. Research analysts do not provide Trading personnel with advance knowledge of the timing and content of forthcoming publications/recommendations;
  - 4.13 Trading personnel of SCML are not permitted to review sections of publications containing recommendations, research summary, price targets or value recommendations, even to verify factual accuracy, prior to publication;
  - 4.14 All employees are bound by SCML's rules and guidelines for employee trading as in force and effect from time to time;
  - 4.15 SCML's bonus scheme is compounded of several elements and each trade related element does not alone affect the bonus significantly;
  - 4.16 All representatives of SCML hold a license if a license is required for performing the business in the country where the representative is registered;
  - 4.17 SCML monitors internal reporting and the effectiveness of its policies and procedures for managing conflicts of interest.
  - 4.18 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.
  - 4.19 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.
  - 4.20 All employees are at all times bound to act in full compliance with SCML's policies and procedures.
  - 4.21 All employees receive instructions and guidance regarding the managing of conflicts of interest.
  - 4.22 All employees are bound by the Personal Account Dealing Policy and transactions undertaken by employees are actively monitored.
  - 4.23 All employees are prohibited from engaging in other external business interests unless granted prior consent by the senior management.
  - 4.24 SCML's Risk Committee continuously monitors the effectiveness of its policies and procedures for managing conflicts of interest

## 5 DISCLOSURE OF CONFLICTS OF INTEREST

- 5.1 If the measures in place are not sufficient to 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. Such disclosure will happen as soon as possible and must always be in writing.

## 6 REVIEW

- 6.1 This Policy will be reviewed at least annually, with interim reviews being triggered in the event of a material and significant change.



This policy is effective from 1 January 2018 and shall remain effective until a more recent version is released. The prevailing version of the policy is always available at [www.home.saxo/en-gb](http://www.home.saxo/en-gb)

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