

Conflict of Interests Policy



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1. Introduction

Scope Markets Global Ltd (“Scope Markets” or the “Company”) is a Company incorporated under the Companies Act 1972, with registration number 8426107-1, and registered address Room B11, 1st Floor, Providence Complex, Providence, Mahe, Seychelles.

Scope Markets Global Ltd is a Securities Dealer Licensee, regulated and authorized by the Financial Services Authority (FSA) Seychelles under the license number SD079.

The purpose of the establishment of this Conflicts of Interest Policy (hereinafter the “Policy”) is for the Company to take all reasonable steps to identify the circumstances which may give rise to a conflict of interest and to establish appropriate mechanisms to avoid any conflicts of interest that may arise during the course of its normal business activities.

The Company is committed to always act honestly, fairly and with due skill care and diligence in the best interest of the Client and with integrity in the market by complying with the principles set out in the applicable laws and regulations.

2. Scope & Overview

A “conflict of interest” is a situation where the Company or an Employee, or other associate of the Company, and/or companies of, (including the Group’s managers, Employees, or any person directly or indirectly linked to them by control) and their clients or, between one client and another that has competing professional or personal interest, which may prevent services being provided to clients in an independent or impartial manner. The Company is committed to identifying, monitoring, and managing all actual and potential conflicts of interest that can and/or may arise between us and our clients and any person directly or indirectly associated with the Company.

The Policy applies to all its directors, Employees, any persons directly or indirectly linked to the Company (hereinafter referred to as the “Relevant Persons”) and refers to all interactions with all clients. The Policy is addressed to all Scope Markets Global Ltd Clients irrespective of Client Classification/Categorization.

3. Applicability

The Policy applies to conflicts of interest between all the directors, employees or any persons directly or indirectly linked to the Company (hereinafter called the “relevant persons”). The Company has taken all

the appropriate measures to identify and manage conflicts of interest between:

- The Company and a Client;
- A Company's Relevant Person and a Client;
- Two or more of the Client(s) of the Company in the course of providing services to these Clients;
- A company of the Group and a Client.

4. Disclosure of Information

In cases where the steps taken by the Company to prevent conflicts of interest from adversely affecting the interest of its clients are not sufficient to ensure that risks of damage to client interests will be prevented, then the Company shall disclose to the client any conflict of interest or potential conflict of interest in respect of that Client, in sufficient detail, by disclosing the nature and/or source of the potential or the actual conflict of interest before undertaking business on his/her behalf.

Further, the Company shall disclose to the Client (i) the measures taken to avoid or mitigate the conflict of interest or the potential conflict of interest; (ii) the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest; in sufficient detail, in order for the Client to understand the exact nature of the relationship or arrangement with the conflict of interest.

Such disclosure shall be a measure of last resort and the Client should decide whether or not to accept the provision of this service, in the context of which the conflict of interest arises.

5. Identification of Potential Conflicts of Interest

For the purpose 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 interest of a client, the Company takes into account the following criteria:

- 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 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 favor the interest of

one client or group of clients over the interest of another client or group of clients.

6. Procedures and Controls to Managing Conflicts of Interests

The Company has established adequate and appropriate internal procedures for minimizing any potential conflicts of interest which include the following:

- a) A dedicated Compliance Department who monitors and report sources that may entail conflict of interest to the Board of Directors of the Company;
- b) The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of providing services, to clients whose interests may conflict, or who otherwise represent different interests that may conflict, with those of the Company;
- c) Establishment of procedures governing access to electronic data;
- d) Establishment of effective procedures to prevent or control the exchange of information between relevant people engaged in activities involving risk of a conflict of interest where the exchange of that information may harm the interests of one or more Clients;
- e) 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;
- f) Separate supervision on an on-going basis of the activities of third parties which perform services on behalf of the Company in order to ensure that such activities are performed in compliance with the applicable Laws;
- g) Risk-Adjusted method of calculation of variable remuneration received by third parties which perform activities on behalf of the Company;
- h) Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's Board of Directors;
- i) Establishments of 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;
- j) Clear segregation of all duties between the different departments; the establishment of Chinese wall restricting the exchange of information within the Company.
- k) Segregation of duties that may give rise to conflicts of interests if carried on by the same individual.
- l) Establishment of the four-eye principle in supervising the Company's activities;
- m) The Company ensures that all the marketing communication of the Company is reviewed and approved by the Compliance Officer, prior to the distribution to the public.

7. Conflicts of Interest Control register

The Company is required to keep and regularly update a record of the type of services and activities carried out by or on behalf of the firm, whereby, a Conflicts of Interest has arisen or may arise. This control register is maintained by Compliance Department and includes the details of the actual or potential conflicts, mitigating controls and responsibilities.

On a case-by-case basis, the Compliance Department and/or Senior Management will decide whether to carry on with an activity if the conflict cannot be resolved by the firm. As a last resort, the Company may disclose the conflict to the client to enable them to take an informed decision whether they want to proceed with the transaction or not allow the transaction to be executed.

8. Gifts and Hospitality

Staff members are forbidden from accepting gifts, promotions, discounts or any other monetary or benefit in kind from clients or third parties, which may create Conflicts of Interest. All directors and employees must adhere to the Company's Gifts and Hospitality policy.

9. Personal Account Dealing

The Company has implemented a Personal Account Dealing Policy (PAD Policy), which sets out the provisions and standards which all employees must adhere to when executing trades in investments for their personal account. The PAD Policy applies to directors, all employees and the relevant persons. When a person executes trade in investment for his/her own behalf, the person should not deal in any manner that may conflict with the interest of a client with whom the Company has a relationship.

10. Monitoring

As set out in the Compliance Monitoring Plan, Compliance will carry out an annual review on the effectiveness of the Conflicts of Interest systems and controls, which will include reviewing this policy.

11. Record Keeping

Scope Markets maintains a register and regularly update the record of the services and activities carried out by or on the behalf of the Company in which a conflict entailing a material risk of damage to the interests of one or more client(s) has arisen or, in the case of an on-going service or activity, may arise. Compliance Department is responsible to maintain the register, review and update the Conflicts of Interest policy, at least annually.

12.Amendment/Review

The Company reserves the right to review and/or amend the Policy and arrangement whenever it deems appropriate and on an annual basis.