

# Conflicts of Interest Summary Policy

Effective Date: 1<sup>st</sup> August 2018

## Conflict of Interest Summary Policy

This policy is a summary version of the main policy implemented by GMO-Z.com Trade UK Ltd (or the "Firm") to prevent or manage conflicts of interest in respect of the Firm's obligations to its clients.

As an investment firm, GMO-Z.com Trade UK Ltd faces actual and potential conflicts of interest from time to time. By identifying existing and potential conflicts of interest and following the measures we have adopted to prevent such conflicts, GMO-Z.com Trade UK Ltd ensures that all reasonable and appropriate steps are taken to implement the conflicts of interest policy, in order to prevent such conflicts from adversely affecting the interests of our clients.

This statement discloses:

- Potential conflicts of interest that you, as an existing client or potential client, might face when engaging in business dealings with GMO-Z.com Trade UK Ltd;
- The laws and regulations regarding conflicts of interest that GMO-Z.com Trade UK Ltd is required to comply with;
- The policy that GMO-Z.com Trade UK Ltd adopts for the purpose of the prevention -or management of conflicts of interest.

Further information as to how we identify and prevent or manage potential conflicts of interest is available in a durable medium upon request or by means of our website at:

<https://trade.z.com/uk/en/legal.html>.

## Definition and Identification of Conflicts that might Arise

Conflicts of interest are defined as situations where a client's or a potential client's interest conflicts with that of another client or clients, and/or GMO-Z.com Trade UK Ltd.'s interests. As a result, there is a risk that the interests of one or more clients could be harmed.

For the purposes of this policy, our interests include the interests of our managers, employees or any person who is directly or indirectly linked to us by control (i.e. entities within the same group as us).

When a firm provides a service to a client, conflicts of interest may arise in one or more of the situations below:

When a firm 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 or a transaction carried out on behalf of the client, which is different from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of one or more clients over the interests of another client;
- carries on the same business as the client; or
- is in receipt or will receive from a person other than the client, an inducement, other than standard commission or fee in relation to a service provided to the client.

With regard to GMO-Z.com Trade UK Ltd, the following are the main conflicts of interest that may occur when providing services to our clients:

1. When GMO-Z.com Trade UK Ltd executes a transaction for you, we are entering into the trade as principal; and
2. You may have been introduced to us by a third party who receives remuneration from your trades such as an introducing broker.

### **Laws and Regulations**

The FCA recognises that conflicts of interest exist in the financial services industry and does not aim to eliminate them completely. Nevertheless, Principle 8 of the FCA's Principles for Business (PRIN) sets out that a firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client. Furthermore, the Senior Management Arrangements, Systems and Controls (SYSC) of the FCA handbook, in particular the SYSC 10, firms are required to prevent or manage the conflicts so that they do not damage the clients' interest.

### **GMO-Z.com Trade UK Ltd Policy**

As required by law, GMO-Z.com Trade UK Ltd implements and maintains an effective conflicts of interest policy in order to prevent or manage conflicts of interest, or potential conflicts of interest, resulting in a risk of damage to the interests of clients.

GMO-Z.com Trade UK Ltd keeps an up-to-date record of all business activities (in particular, the specific kinds of investment services and activities and ancillary services, carried out by the Firm, or on its behalf) in which a conflict of interest has arisen or could arise entailing a risk of damage to one or more clients' interests.

GMO-Z.com Trade UK Ltd.'s conflicts of interest policy adopts procedures and measures to maintain appropriate independence between employees of the Firm who are involved in different activities and to manage -or -prevent the conflicts of interest identified, including:

- Segregation of duties and responsibilities;
- Separate supervision of relevant persons;
- A Personal Account Trading policy;
- A Gifts and Inducement policy,
- Prevention and control of the exchange of information;
- Remuneration Policy and Procedures that ensure GMO-Z.com Trade UK Ltd do not offer remuneration packages that reward behaviour that disadvantages the interests of clients in the Firm's favour or that of other clients. Employees are rewarded on the basis of merit and long-term value adding performance only.
- Acting in the best interest of clients; and
- In some cases declining to act for a client or potential client.

### **Disclosure**

Whilst GMO-Z.com Trade UK Ltd implements and maintains a comprehensive and robust Conflicts of Interest policy, in some cases, the organizational and administrative arrangements might not be sufficient to ensure with reasonable confidence that the risk of damage to the interests of

the client will be prevented. In such a case, the Firm will disclose the general nature and/or sources of the conflicts to the client (or both), as well as the risks to the client that arise as a result of the conflict and the steps undertaken to mitigate these risks before carrying on business for the client.

Any disclosure shall be in a durable medium and contain:

- a statement that the organisational and administrative arrangements established by us to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;
- a specific description of the conflicts of interest that arise in the provision of investment services or ancillary services;
- an explanation of the risks to the client that arise as a result of the conflicts of interest
- sufficient information to allow the client to make an informed decision.

GMO-Z.com Trade UK Ltd treats disclosure of conflicts as a measure of last resort to be used only where the effective organisational and administrative arrangements established by us to prevent or manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

### **Compliance and Supervision**

All GMO-Z.com Trade UK Ltd employees are responsible for complying with this policy. Senior management is responsible for ensuring that the systems and controls in place meet the Firms obligations under the applicable regulations.

The Compliance Department is responsible for periodically, and on at least an annual basis, reviewing, and reporting to the Board of GMO-Z. com Trade UK Ltd in respect of the contents of this policy and whether it meets the Firm's regulatory obligations and those of GMO-Z.com Trade UK Ltd.'s internal policies as well as the effectiveness of the steps taken within the framework for preventing or managing the conflicts of interest identified. The Compliance Department will take all appropriate measures to address any deficiencies.

### **Language of Communications**

All GMO-Z.com Trade UK Limited legal documents are available in English, and can be found on the English version of our corporate website. Translations into other languages are provided for referential purposes only. For the avoidance of doubt, the English version shall prevail in the event of any inconsistencies or ambiguities.