



# **Conflict of Interest Policy**



## 1. Introduction

CDG Global Limited is a company incorporated and registered in St. Vincent and the Grenadines under registration No.24993 having its registered address situated at First Floor, First St Vincent Bank Ltd Building, James Street, Kingstown, St. Vincent and the Grenadines (hereinafter, the “Company”).

## 2. General

The Company has established a Conflicts of Interest Policy (the “Policy”) in an attempt to take all reasonable steps to identify conflicts of interest between itself, including its managers, employees and tied agents, or any person directly or indirectly linked to the Company by control and its clients or between one client and another that arise in the course of providing any investment and non-core services, or combinations thereof.

The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply, with the relevant applicable law and regulations when providing investment services and other ancillary services related to such investment services.

The Company maintains and operates effective organizational and administrative arrangements with a view of taking all reasonable steps designed to prevent and manage conflicts of interest, that may arise during the provision of any investment or ancillary services, from adversely affecting the interests of its clients.

## 3. Scope

The Policy applies to all of the Company’s directors, personnel, any persons directly or indirectly linked to the Company (hereinafter, “Related Persons”) and shall refer to the provision of all investment and ancillary services to all Clients.

The Company shall take all necessary measures to identify, manage, prevent and/or disclose any conflict of interest within its organization, with its Clients and between its Clients, to prevent conflicts of interest from adversely affecting the Clients’ interests.

The Company shall regularly define measure and manage any possible risks of a conflict of interest in connection with its investment services. The Board of Directors and the Compliance Officer shall perform this function in cooperation with the employees and head officers of each of the Company’s various departments.

## 4. Identification of Conflicts of Interest

### 4.1. General

In particular, the Company defines a conflict of interest as any situation where either the Company or an individual is in a position to exploit a professional or official capacity in some way for either corporate or personal benefit. Situations where conflicts of interest can occur include the following:

- a. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, 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, or a person directly or indirectly linked by control to the Company, has an interest in the outcome of a service provided to the client, or of the 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, or a person directly or indirectly linked by control to the Company, has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.
- d. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, carries on the same business as the client.
- e. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, 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 money, goods or services, other than the standard commission or fee for that service.

Relevant person in relation to the Company means any of the following persons:

- a) a member of the board of directors, partner or equivalent, manager or tied agent of the Company;
- b) a member of the board of directors, partner or equivalent, or manager of any tied agent of the Company;
- c) an employee of the Company or of a tied agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent of the Company who is involved in the provision by the Company of investment services or/and the performance of investment activities;
- d) a natural person who is directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment



services or/and the performance of investment activities;

The affected parties if conflict of interest arises can be the Company, its employees or its clients. More specifically, a conflict of interest may arise, between the following parties:

- a. Between the client and the Company.
- b. Between two clients of the Company.
- c. Between the Company and its employees.
- d. Between a client of the Company and an employee/manager of the Company.
- e. Between Company's Departments.

Conflicts of interest can occur in a number of situations, for example:

- The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing a client's specific order.
- The Company is likely to sustain an overall financial gain by not executing a client's specific order.
- The market moves to a direction of a point/timing when by executing client's order will result in a financial loss for the Company.

## **4.2. Examples of Conflict of Interest**

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise, as per the current nature, scale and complexity of the Company's business, the following list includes circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services:

- a. The Company may be matching the Client's order with that of another Client by acting on such other Client's behalf as well as on the Client's behalf;
- b. The Company may receive or pay inducements to or from third parties due to the referral of new Clients or Client's trading;
- c. the Company, its employees and related legal persons may have establish, change or cease to have positions in securities, foreign exchange, CFDs or other Financial Instruments covered by an investment recommendation or advice;
- d. the Company 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;
- e. the Company's bonus scheme may award its employees based on the trading volume etc. ;
- g. the Company or a Related 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;



f. the Company or a Related person has a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Client;

#### **4.3. Procedures and Controls to Manage Conflict of Interests**

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures (list is not exhaustive):

- a. The Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;
- b. Effective procedures to prevent or control the exchange of information between Related Persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interest of one or more Clients;
- c. The Company maintains an Independent Compliance Department to monitor and report any possible conflict of interest situations to the Board of Directors;
- d. Appointment of an Internal Auditor to ensure the appropriateness and effectiveness of the systems and controls used by the Company and to report to the Board of Directors
- e. Procedures governing access to electronic data;
- f. Establishment and maintenance of the “four-eye” principle to monitor and supervise the Company’s activities;
- g. Establishment of Chinese walls and physical separations between the Company’s different departments to restrict the flow of confidential information within the Company;
- h. Segregation of duties that may give rise to conflict of interest if carried out on by the same individual;
- i. The Company’s personnel receive appropriate training, instructions and guidance regarding managing of conflict of interest;
- j. The Company’s personnel is bound by professional secrecy and confidential information is only to be shared if essential for the performance of a task
- k. A “need-to-know” policy governing the dissemination of confidential or inside information within the Company.
- l. The separate supervision of Related 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;
- m. The removal of any direct link between remuneration of relevant persons principally engaged in one activity and the remuneration of, revenues generated by different Related Persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;



- n. Measures to prevent or limit any person from exercising inappropriate influence over the way in which a Related Person carries out an investment or ancillary service or activities;
- o. 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 the conflicts of interest;
- p. Implementation of personal account dealing requirements applicable to relevant persons in relation to their own investment;
- q. Prohibition on officers and employees of the Company to have external business interests conflicting with the interests of the Company without the prior consent of the Company's Board of Directors;
- r. A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.

#### **5. Disclosure of Conflict of Interest**

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carry out a transaction or provide an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made in sufficient time and in a durable mean and shall include sufficient detail, taking into account the nature of the client, to enable him to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

Clients will be given the opportunity to decide on whether or not to continue their relationship with us with no unreasonable obstacles

#### **6. Client's Consent**

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to, and authorizes the Company to deal with the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a Transaction, without prior reference to the Client.

In the event that the Company is unable to deal with a conflict of interest situation it shall revert to the Client.

#### **7. Amendment/Review**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Company and the Client.