

CPT MARKETS UK

CONFLICTS OF INTEREST POLICY

1. Introduction

This Policy prescribes the approach that the Firm will be taking to ensure that it avoids or mitigates any instances where the Firm's interests and those of its clients or contracted parties, conflict.

2. Background

The UK conduct regime requires Firms to ensure that conflicts-of-interest are reasonably identified and managed to prevent the Firm (and its connected persons) from taking any actions or entering into activities which might adversely influence the interests and needs of any client(s). This approach forms part of the fundamental regulatory obligations of the Firm to be fair and effective in handling and resolving any conflict situation(s), paying due regard to the interests of its clients and to treat them fairly at all times.

UK FCA requirements (SYSC 10) set-out a range of governing rules and guidance which applies to the Firm being treated as a 'common platform Firm' (not a MiFID optional exemption Firm) whereby the Firm is engaged in providing 'services' itself to clients (be they retail, professional or eligible counterparty clients) in the course of carrying on investment or ancillary activities.

3. How the Firm Manages Conflicts

The Firm takes all reasonable steps to identify and prevent or manage any conflicts (SYSC 10.1.3) arising between:

- (a) The Firm (or any persons directly/indirectly linked by control) and any client(s) of the Firm; or
- (b) Between any clients of the Firm (SYSC 10.1.4);

that may arise in the course of:

- I. the Firm providing related investment and/or ancillary services, or
- II. the Firm's own internal remuneration or incentive structures or
- III. any inducement(s) involving third-parties.

The Firm's senior-management will be proactive in terms of implementing and managing such measures that are necessary to:

- Control and/or prevent any exchange of information between persons engaged in activities which involve actual conflicts, that could harm client interests;
- Properly separate the supervision of persons and/or functions, whose activities or purpose may conflict;
- Prevent or control the exercise of any inappropriate influence over the way services and activities are carried-out with clients;
- Prevent or control any simultaneous or sequential involvement of any persons in separate services or activities which may otherwise impair the proper management of any conflict(s).

4. Conflicts Log (SYSC 10.1.6 & 10.1.11)

The Firm will maintain an up to date written record of its identified and perceived conflicts (see Annex 1), including the conflicts' nature, its source, the circumstances giving rise to the conflict.

This record will be overseen and approved by the Board (on at least an annual basis) as part of the ongoing management and maintenance of its Policy arrangements. This listing will also be used to inform its decision-making as to the continued scope and adequacy of its conflict management approach, and any associated risk-reporting and assessment.

5. Conflict Management (SYSC 10.1.7)

The Firm will take reasonable steps and operate various organisational and administrative arrangements to prevent and mitigate any conflicts from arising and adversely affecting any client(s) interests. In practice this extends to routine and day-to-day reporting to management on operational events and identified potential threats or exposure situations.

6. Conflict Disclosure (SYSC 10.1.8)

Where the Firm's practices and arrangements are not able to ensure with reasonable confidence that any risk or damage to client(s) interest will be prevented, then certain information must be clearly disclosed to any affected client(s) before business is undertaken for the client(s).

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However, the Firm will not seek to overly rely on disclosure without an adequate consideration of how conflicts may be appropriately managed (SYSC 10.1.9). Any required disclosure(s) will extend not just to the general conflict(s) and mitigation steps applicable, but also any disclosure using an acceptable 'durable medium' and clearly stating the Firm's organisational/administrative arrangements and explaining the risks to the client(s) as a result of any conflict arising/occurring. Furthermore, the disclosure of any conflict(s) will only be treated and undertaken as a matter of last resort (SYSC 10.1.9A) where there is a failure to reach reasonable confidence that the Firms' arrangements will/can mitigate any risk or damage.

7. Maintaining Appropriate Records

The Firm will maintain central records of its reasonably identified/perceived risks, as well as actual risk (and near-miss) events to provide ongoing analysis and inform the enhanced development of its approach and arrangements towards adequately preventing/mitigating and where necessary handling conflict-of-interest situations and events.

The senior-management (Board) will take the lead in both co-co-ordinating the Firms' continued conflict-risk profile and determining the effective steps and measure necessary to adhere to applicable regulatory standards and obligations.

8. Staff Awareness

All relevant staff are to be periodically required to self-attest their ongoing understanding and adherence to the Firm's Policy, and the part they play in helping and supporting the Firm to successfully deliver its obligations and manage the reasonable associated risks.

9. Policy Ownership & Review

The adequate fit-for-purpose content and maintenance of this Policy lies with the owner of this Policy and with the Firm's senior-management (Board) being responsible for the ongoing quality approval and effective use and embedding within the Firm.