



PRIOR CAPITAL

CONFLICT OF INTEREST POLICY

This is not a marketing material, but an informative policy to provide its potential Clients with measures taking to identify and to avoid any conflict of interest in compliance with Markets in Financial Instruments Directive II (MiFID II) and the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017)

Updated on

FEBRUARY 1, 2019

Risk Warning: CFDs are complex instruments and come with a high-risk of losing money rapidly due to leverage. 87.00% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high-risk of losing your money. Please consider our [Risk Disclosure](#).

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

Prior Capital CY Ltd (former PriorFX Ltd) (hereafter the “Company”) is an Investment Firm authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the License No. CIF221/13. The Company is incorporated and registered under the laws of the Republic of Cyprus under the certificate registration number HE321360. The head office of the Company is located at 196 Arch. Makarios III Ave., Ariel Corner, 3030 Limassol, Cyprus.

Following implementation of the Markets in Financial Instruments Directive II (MiFID II) 2014/65/EU in the European Union and based on the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) in Cyprus, the Company is required to provide its potential Clients with a summary of its Conflicts of Interest Policy (hereafter referred to as the “Policy”). The abovementioned legislation provides that the Company is required to take all reasonable steps to identify and avoid any conflict of interest.

As a part of its duty to avoid any conflicts of interest that may significantly affect the Client’s interest the Company will take all reasonable steps to mitigate any such conflicts that may arise in accordance with this Policy. The Policy applies to all the directors of the Company, employees, tied agents, any affiliates of the Company. The Policy refers to all interactions with all Clients.

Senior Management is responsible for ensuring that the Company’s systems, controls and procedures are adequate to identify and manage conflicts of interest. It also ensures that all the arrangements made under this Policy operate effectively.

“**Financial Instrument**” all instruments permitted by the license mentioned in section 2.

2. PROVISION OF SERVICES

The Investment Services to be provided by the Company to the Client are:

- Execution of Orders on Behalf of Clients;
- Portfolio Management.

The Ancillary Services to be provided by the Company to the Client are:

- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- Foreign exchange services where these are connected to the provision of investment services.

The Company shall be offering the above investment services, in respect of the following Financial Instruments:

- (1) Transferable securities;
- (2) Money-market instruments;

- (3) Units in collective investment undertakings;
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- (5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties' other than by reason of default or other termination event;
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;

The Company is authorised to provide services on CFDs on cryptocurrencies and has been given permission to provide services on cryptocurrencies as a form of any other business.

Attention: Cryptocurrencies and CFDs on Cryptocurrencies are an extremely volatile high-risk, speculative investment and you may experience a significant loss over a short-period of time or lose all your invested capital. They are not appropriate for all investors. Before trading, you need to ensure you fully understand the risks involved taking into consideration your level of experience and investment objectives. Seek independent advice and consultation from an independent financial advisor if you have any doubts.

The Company lists on its website the transactions that the Client can conclude with the Company and the Financial Instruments that the Client can buy or sell. The Company reserves the right to amend the transactions and the Financial Instruments concerned without prior notice.

The Services provided by the Company do not include the provision of Investment Advice.

3. IDENTIFICATION OF CONFLICT OF INTEREST

A potential conflict of interest occurs where competing obligations or motivations result in material risk of damage to the interests of a Client. For example, the Company or an employee of the Company is likely to make a financial gain, or avoid a financial loss, at the expenses of the Client.

In the same way, a Client of the Company is likely to make a financial gain or avoid a financial loss at the expense of another Client. Furthermore, the Company may carry the same business as the Client. The Company has a duty to examine the abovementioned situations and see if they are applicable at any event during the course of providing investment services to the Client and do the utmost to avoid or mitigate any arising conflict of interest.

4. PROCEDURES TO MANAGE CONFLICTS OF INTEREST

The internal policies of the Company have been drafted and designed in such a way to identify and manage Conflicts. The Compliance Department of the Company is responsible for this task. A number of organizational and administrative arrangements have been made in order to safeguard the interests of Clients and minimize the potential risks for conflicts to arise.

A non-exhaustive list of the procedures and controls followed by the Company regarding the issue of Conflicts of Interest is the following:

- Control of the exchange of information between the relevant persons engaged in activities involving a risk of a conflict of interest. Sometimes, the exchange of any information may harm the interests of the Clients.
- Personal account dealing restrictions applicable to all employees, regardless of seniority.
- The separate supervision of relevant 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.
- In some cases, declining to act on behalf of a Client or a potential Client.
- Protocols to ensure that no improper inducements are given or received, and proper inducements are disclosed appropriately.
- Control over sources of remuneration of relevant persons.
- Training of directors and employees of the Company on Conflict management.
- 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.

7. INFORMATION BARRIERS

The Company respects the confidentiality of information it receives regarding its Clients and operates a “Need to Know” approach and complies with all applicable laws in respect of the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a Client of the Company.

The Company has established and operates internal organizational arrangements to avoid conflicts of interest by controlling, managing or restricting, as deemed appropriate, the flow of confidential information between different areas of business or within a specific division or department. In particular, Chinese Walls are a key tool for conflict of interest prevention, avoiding insider dealing

and market manipulation risks. Chinese Walls can involve separation of premises, personnel, reporting lines, files and IT-systems and controlled procedures for the movement of personnel and information between the Company and any other part of the Company Group. The Company maintains permanent information barriers between different departments.

9. SEPARATE SUPERVISION / FUNCTIONS

There is a clear distinction between the different departments operations. Two departments or businesses will be managed by different senior staff members, if running them under supervision of one person may create conflicts of interest. In this way, it is secured that no single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized. Furthermore, we have established the four-eyes principles in supervising the Company's activities.

11. INDUCEMENTS

The Company does not offer, solicit or accept any inducements, other than the following:

- A fee, commission or non-monetary benefit provided to or by a client or a person on behalf of a client.
- A fee, commission or non-monetary benefit provided to or by a third party or a person acting on behalf of a third party, under the following conditions:
 - the fee, commission or benefit is disclosed to a client, prior to the provision of the relevant service; and
 - it is designed to enhance the quality of the relevant service to a client and in line with the Company's duty to act in the best interests of a client.
- Proper fees for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients.

12. EMPLOYEE'S ACTIVITIES OUTSIDE THE COMPANY

Our employees are subject to rules designed to avoid conflicts of interest with activities they undertake outside our Company.

13. GIFTS

Our employees will not accept any gifts other than those considered normal in their line of business. Gifts and entertainments offered by the Company's Clients may influence the behaviour of staff members in a way that conflicts with the interest of the Company or the Company's (other) Clients and such gifts and/or entertainment could place the Company in a situation where it would not be in compliance with the general duty to act in accordance with the best interests of its Clients.

14. DISCLOSURE

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect Client's interest, the conflict will be disclosed to allow the Client to make an informed decision on whether to continue using our service in the situation concerned.

16. MONITOR / REVIEW

The Company has the right to amend the current Policy at its discretion and at any time it considers is suitable and appropriate. The Company will review the Policy at least annually.

Where organizational or administrative arrangements made by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Client interests will be prevented, it shall clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business on its behalf.

FAQ

Questions regarding the Policy should be addressed, in the first instance, to the Customer Support Department.

Customer Support e-mail: support@priorcapital.eu