

# CONFLICTS OF INTEREST POLICY (EXTERNAL)

<b>Version Number</b>	<b>Reason for Update</b>	<b>Date of Release</b>	<b>Amended By</b>
1.0	Initial publication of document	08-Jan-20	AH

## Table of Contents

<b>APPENDIX D:</b> .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>SUMMARY CONFLICTS OF INTEREST POLICY</b> .....	<b>3</b>
1 INTRODUCTION.....	3
2 CONFLICTS REGISTER .....	3
3 IDENTIFYING CONFLICTS OF INTEREST .....	3
4 MANAGING CONFLICTS .....	3
5 STAFF TRAINING .....	5

# CONFLICTS OF INTEREST POLICY

---

## 1 Introduction

**Basis Capital Markets UK Ltd.** (“Basis” or the “Firm”) conducts its business in accordance with FCA Principle 8 which requires the Firm to manage conflicts of interest fairly, both between the Firm and its clients as well as between one client and another client.

SYSC 10.1 requires the Firm to take all appropriate steps to identify and to prevent or manage conflicts of interest that arise in the course of the Firm providing its services, between:

- the Firm including its managers, employees and appointed representatives or any person directly or indirectly linked to them by control (collectively “Staff”), and a client of the Firm; or
- one client of the Firm and another client;

including those caused by the receipt of inducements from third parties or by the Firm’s own remuneration and other incentive structures.

The Firm’s policy is to take all appropriate steps to maintain and operate effective organisational and administrative arrangements to identify, and to prevent or manage potential and actual conflicts of interest in the Firm’s business.

## 2 Conflicts Register

The Firm maintains a **Conflicts Register** which contains a summary of the Firm’s conflicts and the procedures in place to manage them. The Conflicts Register is regularly updated, and particularly whenever a new conflict is identified or the method for managing a conflict is altered.

## 3 Identifying Conflicts of Interest

For the purposes of identifying the types of conflict and potential conflicts that arise which may damage the interests of a client, the Firm must take into account whether the Firm or a member of Staff:

- 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 the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome;
- Has a financial or other incentive to favour the interest of one client or group of clients over the interests of another client;
- Carries on the same business as the client; or
- 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 monies, goods or services other than the standard commission or fee for that service.

## 4 Managing Conflicts

### Governance

The Firm has robust governance arrangements and senior management oversight of the business. Key business decisions are taken by the Governing Body which understands the Firm’s obligations to manage and mitigate conflicts of interest. The Firm’s senior management are responsible for ensuring that the Firm’s systems and controls and procedures are robust and adequate to identify and manage any conflicts of interest that may arise.

Discussion of conflicts within the business is a standing agenda item at Firm board meetings and senior management regularly discuss and review the processes in place for prevention and management of identified conflicts.

It is the on-going responsibility of all Staff to identify potential and actual conflicts of interest as they arise in the Firm's business and to notify the Compliance Officer immediately. The Compliance Officer is responsible for implementing appropriate procedures to manage and monitor those conflicts and reports directly to the Governing Body on a regular basis. Management information relevant to identifying conflicts is reviewed by the Compliance Officer (including risk reports, client money/assets reports and other risk scenarios).

## Management Reporting

The Governing Body of the Firm receives, at least annually, written reports on all identified conflicts. The Compliance Officer is responsible for ensuring that the Governing Body receives such reports.

## Segregation of Functions and Independence

The Firm has a clear organisational structure with well-defined, transparent and consistent lines of responsibility.

The Firm has structured its senior management to appropriately segregate duties so as to avoid conflicts of interest wherever possible.

The Firm also engages external compliance consultants to advise on the Firm's compliance programme, to undertake independent review of the Firm's satisfaction of its regulatory obligations, including its management of conflicts of interest and its on-going monitoring requirements.

## Information Barriers

The Firm has effective procedures to prevent or control the exchange of information between Staff engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients.

## Disclosure to Clients

If the Firm's arrangements to manage a potential conflict of interest are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of a client will be prevented, the Firm will clearly disclose the following to the client before undertaking business for the client:

- the general nature or sources of conflicts of interest, or both; and
- the steps taken to mitigate those risks.

The Firm treats disclosure of conflicts as a measure of last resort to be used only where the effective organisational and administrative arrangements established by the Firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of clients will be prevented.

Disclosures are made as follows:

- in a durable medium;
- clearly stating that the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interest of the client will be prevented;
- including a specific description of the conflicts of interest that arise in the provision of investment services or ancillary services;
- explaining the risks to the client that arise as a result of the conflicts of interest; and
- with inclusion of sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest has arisen.

## Declining to Act

The Firm may decline to act for a client in cases where the Governing Body believes the conflict of interest cannot be managed in any other way.

## Policies & Procedures

In addition to this Policy, the Firm has comprehensive policies and procedures which are designed to establish consistent controls to manage and mitigate conflicts. These policies cover areas such as Insider Dealing and Market Abuse, Outside Business Activities, Gifts, Inducements and Business Entertainment, Product Governance, Fraudulent Practices and Money Laundering and Whistleblowing.

## 5 Staff Training

Upon joining the Firm, Staff receive guidance and training in respect of this Policy to ensure they are aware of the importance of the Policy and the need to report any potential or actual conflict of interest immediately to the Compliance Officer.

\*\*\*