



**match-prime**  
l i q u i d i t y



# **Conflicts of interest**

## Policy

## SUMMARY OF CONFLICTS OF INTEREST POLICY

### 1. Introduction

This Conflicts of Interest Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 L. 87(I)/2017 (“the Law”), pursuant to which MTG Liquidity Ltd (“the Company”) is required to take all appropriate steps to detect and avoid conflicts of interest.

The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply, in particular, with the principles set out in the above legislation when providing investment services and other ancillary services related to such investment services.

The purpose of this document is to set out the Company’s approach in identifying and managing conflicts of interest which may arise during the course of its normal business activities. In addition, this document identifies circumstances which may give rise to a conflict of interest.

### 2. Scope

The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Company (hereinafter called “Related Persons”) and refers to all interactions with all Clients.

### 3. Identification Criteria of Conflicts of Interest

As per the provisions of the Law, the Company shall take all appropriate steps to identify and to prevent or manage conflicts of interest between:

- a. the Company, including its managers, employees and appointed representatives (or where applicable, tied agents), or any person directly or indirectly linked to them by control, and a client of the firm; or
- b. one client of the firm and another client;

For the purposes of identifying the types of conflict of interest that arise, or may arise, in the course of providing a service and whose existence may damage the interests of a client, the Company shall take into account, as a minimum, whether the Company or a relevant person or a person directly or indirectly linked by control to the Company:

- a. is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b. 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;
- c. has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- d. carries on the same business as the client;

or

- e. 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.

Based on the above information, the Company makes an assessment of the conditions and circumstances giving rise to a conflict between the interests of the Company or certain persons connected with the Company, and the duty the Company owes to a Client, or between the differing interests of two or more of its clients to whom the Company owes in each case a duty.

The Company has identified the following, but not limited to, criteria which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more Clients, as a result of providing investment services:

- a. 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;
- b. the Company will not award its employees bonus based on the trading volume etc.;
- c. the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;
- d. 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;
- e. the Company or a Related Person has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
- f. the Company or a Related Person carries on the same business as the Client.

#### **4. General Procedures and Controls for Preventing and Managing Conflicts of Interests**

The management of the business conflict situations is largely achieved through the charging structure, independence of the business lines, the existence of information barriers between entities, and where necessary within business divisions, procedures within each business division, training and awareness.

More specifically, 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 on-going monitoring of business activities to ensure that internal controls are appropriate.

- b. The Company undertakes 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 interests of one or more Clients.
- c. The Company performs constant supervision of Related Persons whose principal functions involve providing services to Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- d. The Company applies measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services.
- e. The Company implements measures to prevent or control the simultaneous or sequential involvement of a Related Person in separate investment services where such involvement may impair the proper management of conflicts of interest.
- f. Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of some departments.
- g. Procedures governing access to electronic data.
- h. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- i. Personal account dealing requirements applicable to Related Persons in relation to their own investments.
- j. Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors.
- k. Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's Board of Directors.
- l. A "need-to-know" policy governing the dissemination of confidential or inside information within the Company.
- m. Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- n. Establishment of the "four-eyes" principle in supervising the Company's activities.

## 5. 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 authorises 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 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.

## 6. Disclosure of Information

The Company must take adequate measures to manage all conflicts of interest before resorting to disclosure. The disclosure of conflicts shall be the last resort after all appropriate steps have been taken.

If during the course of a business relationship with a Client or group of Clients, the organisational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest relating to that Client or group of Clients, the Company shall disclose to the Client the conflict of interest before undertaking further business with the Client or group of Clients.

The disclosure must include:

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

The disclosure will:

- be in a durable medium;
- clearly state that the organisational and administrative arrangements established by the Company to prevent or manage the conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Client will be prevented;
- include a specific description of the conflicts of interest that arise in the provision of investment services and ancillary services;
- explain the risks to the Client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks;
- include sufficient detail, taking into account the nature of the client, to enable the Client to make an informed decision with respect to the services in the context of which the conflict of interest arises.

If a client decides not to go ahead with the service due to the conflict disclosed, the Company will have no choice but to decline the provision of services if the conflict cannot be effectively managed. If the Company does not believe that disclosure is appropriate to manage the conflict

of interest, it retains the right not to disclose the conflict to the client but instead the Company may choose not to proceed with the transaction or any other action giving rise to the conflict.

## **7. Amendment of the Policy and Additional Information**

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.

Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to [compliance@match-prime.com](mailto:compliance@match-prime.com).

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Account Opening Form & Questionnaire Legal Person  
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