Introduction

Alpha FX Europe Limited "the Company" is authorised and regulated by the Malta Financial Services Authority to provide investment services in terms of the Investment Services Act (Cap. 370 of the Laws of Malta) and for the issuing of electronic money and provision of payment services under the Financial Institutions Act, (Cap. 376 of the Laws of Malta). Under the MFSA Handbook of rules and guidance firms are required to conduct their business in accordance with the regulator's 'General Principles' which include:

- conducting business with integrity;
- paying due regard to the interests of our clients and treating them fairly;
- managing conflicts of interest fairly.

The MFSA rules require firms to take all reasonable steps to

- identify any conflicts of interests that arise, or may arise, during the course of carrying out regulated activities between the firm and their clients, or between clients themselves; and
- maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent those conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients.

Conflicts of interest can exist in all businesses and financial services organisations and, accordingly, the Company has put in place a number of policies, procedures and processes designed to identify, evaluate and manage those conflicts of interest. The purpose of this policy is to identify in a summary form those conflicts which the Company experiences as an organisation and to describe how it addresses the challenges that such conflicts create.

This policy may be reviewed and amended at any time. This document is not intended to create third party rights or duties or form part of any contractual agreement between the Company and any client.

The company's service provision – general approach

Alpha FX Europe Limited, or any party to whom it may have delegated its functions (a "delegate") may, without prior reference to a client, effect transactions in which the Company or a delegate has, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with the Company's duty to the client. In the event of any such transaction, however, the Company will ensure that:-

- such transactions are affected on normal commercial terms negotiated at arm's length and on terms which are not materially less favourable to the client than if the potential conflict had not existed;
- such transactions do not adversely affect the performance of the Company's duties and responsibilities to the client; and
- reasonable steps are taken to ensure fair treatment for the client in accordance with the requirements of the rules and guidance of the MFSA.

Identification of conflicts of interest

The circumstances which should be treated as giving rise to conflicts of interest include all cases where there is:

1. a conflict between the interests of the Company, an individual member of staff, certain persons directly or indirectly connected to the Company or a delegate; and the duty that the Company owes to a client; or
2. a conflict between the differing interests of two or more clients, as the Company owes a separate duty to each of them.

Conflicts may arise and all of the Company's staff must take into account whether any of the persons described at (1) above:

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;

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.

All Company staff must additionally take into account whether any client or group of clients described in (2) above is likely to make a financial gain, or avoid a financial loss, at the expense of another client or group of clients of the Company.

Reporting conflicts of interest

All directors and staff must report conflicts of interest situations or potential conflicts of interest situations immediately by email to the Company's Compliance Officer.

Record of conflicts of interest

The Company maintains an up to date Register of Conflicts of Interest in which to record any identified conflicts of interest that have arisen, or which may arise, leading to a material risk of damage to the interest of one or more clients, resulting from services or activities carried out by or on behalf of the Company.

Managing conflicts of interest

The Company is required to maintain and operate effective, organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk or damage to the interests of our clients. The Company has implemented various systems and procedures so as to minimise the potential causes of conflicts of interest, wherever possible avoid material conflicts of interest, and to manage all conflicts of interest arising, including the following.

Departmental structure, segregation of duties and staff supervision

The Company has a defined organisational structure to provide segregation of duties to minimise any conflicts of interest. The Company's governance document creates clear lines of authority allowing for the separate supervision of employees 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. Given the nature of the Company's business there can be occasions which could give rise to a conflict of interest and in these circumstances additional controls are in place to identify inappropriate behaviour. The Risk & Compliance Director undertakes regular reviews of each function's operations and the roles undertaken by the individuals within the departments to ensure the departmental structures, segregation of duties and lines of authority continue to be appropriate.

Removal of remuneration links

The Company removes any link wherever possible between the remuneration of any employee principally engaged in one activity from the remuneration of, or revenues generated by, different employee of the firm principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

Job descriptions and staff assessment

Employment duties are designed to limit the potential for conflicts of interest and all Company staff are issued with job descriptions to help prevent or limit an employee from exercising inappropriate influence over the way any other employee or group of employees carries out services or activities. All employees are regularly assessed for competency in their roles and are required to follow the internal procedures detailed in the Company's Compliance Manual.

Training

Regular training is provided to staff on conflicts of interest and the Company's policies and procedures for managing them.

Monitoring of ongoing service provision

The Company monitors and takes measures where necessary to prevent or control the simultaneous or sequential involvement of an employee in separate services or activities where such involvement may impair the proper management of conflicts of interest.

Independent Oversight

Where a conflict of interest arises as a result of the day-to-day services provided to clients, the matter is reviewed by the Compliance Officer and senior management of the Company, taking into account various factors including the different requirements of each client.

Trade Order Management

The Company has a policy in place governing client order priority, whereby all trading on behalf of the Company, including principal trading, and trading on behalf of its clients should take place fairly and in due turn so as to avoid a potential conflict of interest.

Chinese walls – establishing an information barrier

Wherever necessary the Company establishes and maintains a 'Chinese wall' in order to create a barrier so that information held by one part of the business is withheld from, and cannot be used by, persons in another part of the business, the operation and effectiveness of which are overseen and monitored by the senior management.

Gifts, Inducements and Entertainment

The Company maintains a Gifts, Inducements and Entertainment Policy whereby no member of staff of the Company may solicit or accept from any person, or give or offer to give to any person, any gift, inducement or other benefit that cannot properly be regarded as justifiable in all the circumstances and which might therefore influence either person's independence or business judgement or which could create a conflict with any duty owed to the Company or its clients. Staff may not accept gifts from, or provide gifts to, an individual or firm with whom they conduct, or intend to conduct, business on behalf of the Company unless it can be demonstrated that no conflict of interest is created by doing so. This restriction does not include any special promotions which have been agreed by our senior management, nor does it cover corporate gifts and hospitality which are considered to be incidental to our standard business.

Entertainment or hospitality provided by a member of staff must fall within predetermined maximum cost limits and should not in any event create any conflict of interest. Entertainment or hospitality accepted by an employee should be appropriate and the acceptance of such entertainment/hospitality should not create any conflict of interest.

These rules applies even if the direct recipient of the gift, entertainment, hospitality or other benefit is the spouse or a child of the staff member or some other third party.

Staff are required to register with the Compliance Department details of gifts, entertainment or hospitality, whether given or received with an estimated value in excess of €200 and to seek guidance if in doubt about the suitability of the gift. The Compliance Officer maintains a Gifts, Entertainment and Hospitality Register and monitors all gifts, entertainment and hospitality given and received to ensure compliance with the Company policy.

Personal account dealing

All Company staff are bound by the requirements of the Company's Personal Account Dealing Notice which has been established to ensure that personal account dealing by members of staff comply with the MFSA rules. Under the Personal Account Dealing Notice, staff can only undertake personal investment activities with first prior written general permission to do so, and:

i. do not breach applicable law or regulation;

ii. do not unduly distract from their employment responsibilities, and

iii. do not create an unacceptable risk to the Company's reputation.

Transactions should also be free from business and ethical conflicts of interest. Staff must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings. All transactions undertaken by staff must be reported to, and are actively monitored by, the Compliance Officer.

Data Access

Access to data on Company computer drives is restricted by the use of passwords and user ID's. Computers are automatically locked if unattended for any short period. Staff are regularly reminded of the importance of data protection.

Information Releases

Staff may not release or disclose relevant information to another party without ensuring that there is a clear need to know basis for the recipient and that they are made aware of the requirement to treat the information received as confidential.

External business interests

Unless granted prior written consent from Company senior management, or specifically permitted to under their terms of their employment, staff are not allowed to engage or have an interest in any business which is or may be in competition with the Company or which would involve the use of Company time, property, facilities or resources.

Independence Policy

Situations may arise where it is appropriate to manage conflicts of interest by requiring staff to adhere to and observe a policy of independence. If such an event staff will be required to sign an undertaking to disregard relevant conflicts of interest in discharging their functions.

Disclosure or withdrawing a service

Despite the arrangements the Company has put in place to manage conflicts of interests, it may not be possible to prevent some conflicts of interest from arising which could materially act to the detriment of a client. In that case, the Company will endeavour to manage that conflict of interest by:

(i) Disclosure to the client
Clearly disclosing the general nature and source of the conflict of interest to the client before undertaking business for the client. The disclosure will be made in writing and include sufficient detail to enable the client to take an informed decision about the service in the context of which the conflict of interest has arisen.

(ii) Declining to provide the service
If the Company does not believe that disclosure is appropriate to manage the conflict of interest, the Company may have no choice but to decline to provide the service requested.