



DEPAHO LIMITED

CONFLICT OF INTEREST POLICY

Introduction

Depaho Ltd. operating through the brand name of **FXGM** is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (hereinafter, “CySEC”) with license number 161/11. The Company has also been authorized by the Financial Services Board in South Africa (“FSB”) under authorization no. 47709.

The Conflict of Interest Policy (hereinafter, the “Policy”) is issued pursuant to, and reflects compliance with the Investment Services and Activities and Regulated Markets Law of 2007 – Law 144(I)/2007 (hereinafter, the “Law”) its directives and circulars issued thereof.

This Policy is an adjunct to the Company’s overarching general obligation 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.

The Company provides herein a summary of the policy it maintains in order to manage conflicts of interest in respect of the duties it owes to its Clients.

Scope

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

Definition/Interpretation

A conflict of interest arises where there is a reason within the Company’s control that prevents it from putting the interests of its Clients before those of the Company and its employees, or the interests of one Client or group of Clients ahead of another Client. In such a situation, the Company must pay due regard to the interests of each Client and manage any potential conflicts of interests accordingly.

The underlying principle that must be followed at all times is that the interests of a Client must always be put before the interests of the Company and/or its employees. A conflict may exist, or be perceived to exist, if an employee’s activity is, or may reasonably give the appearance of being, inconsistent with the best interests of the Company’s Clients.

Identification of possible conflict of interest risks

The Company shall take all reasonable steps to identify conflicts of interest situations between the Company and its related persons, the Company and its Clients or between its Clients during the course of the provision of investment and ancillary services.

The Company’s Policy, in general, shall have to:

- (a) identify with reference to the investment and ancillary services carried out by the Company, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients; and
- (b) specify procedures to be followed and measures to be adopted in order to manage such conflicts.

Non-exhausting list of possible conflicts of interest:

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest situations that may arise, as per the current nature, scale and complexity of the Company's business, the following list includes circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as applicable:

- a) The interest of *relevant persons*, shareholders, directors or agents of the Company or members of its Group in Clients, and vice versa;
- b) An interest in maximizing the Company's trading volumes in order to increase its commission revenue, which is inconsistent with the Client's personal objective of minimizing transaction costs;
- c) The bonus scheme of employees/*relevant persons* which may be based on the Clients' trading volumes and/or deposits;
- d) Relevant persons' personal transactions within the meaning of CySEC's Directives.
- e) The remuneration of third parties where the interest of the Client conflicts with the interest of the third party; and
- f) The interests of other members of the Group that the Company belongs to and/or the interests of other members of the Group that provide services to the Company (e.g. Liquidity Provider).

It should be noted that the above circumstances which constitute or may give rise to a conflict of interest, are not necessarily detrimental to the interests of Clients.

Managing Conflicts of Interest

General Principles

The Company shall maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest, from adversely affecting the interests of its Clients.

The Company should take into account any circumstances, of which it is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the Group in which the Company belongs to.

Non-exhausting list of procedures and measures:

For the management and prevention of conflicts of interest, the Company's procedures and controls include the following, as applicable and relevant:

- (a) Chinese Walls to prevent the flow of confidential information and data in a way that adversely affect the interests of the Clients;

- (b) Executive Directors or other hierarchical officers of the Company do not exercise inappropriate influence over the way in which a related person carries out the provision of investment and ancillary services;
- (c) The Company's bonus scheme is compounded of several elements and each trade related element does not alone affect the bonus significantly;

- (d) The Compliance Department shall ensure strict implementation of the Assessment of Appropriateness in order to ensure adequate monitoring of compatibility of the provision of brokerage services to Retail Clients;

- (e) Arrangements designed to ensure that related persons engaged in different business activities carry on those activities at a level of independence appropriate to the size and activities of the Company and of the Group to which it belongs, and to the materiality of the risk of damage to the interests of Clients;

- (f) The Company shall perform an assessment at least once a year, whether the existence of any payments and non-monetary benefits paid or provided to or by a third party or a person on behalf of a third party in relation to the provision of an investment or ancillary service to a Client by the Company is in compliance with the MiFID inducements rules;

- (g) the Company shall be informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other procedures enabling the Company to identify and evaluate such transactions;

- (h) All employees are aware of forbidden transaction practices (e.g. the preferential treatment of Company members of staff at the expense of its Clients, during the provision of the investment and ancillary services to a Client); and

- (i) Establishing objective and independent procedures for the assessment of other members of the Group who collaborate with the Company for the provision of Services to clients (e.g. Liquidity Providers/Market Makers). Further to this the Company always acts as the Client's agent, receiving payment from the Client's transaction volume and does not enter into profit sharing arrangements with its Liquidity Providers irrespective of whether said Liquidity Providers are members of the same Group as the Company.

Disclosure of Information

If during the course of a business relationship with a Client or group of Clients, the organizational 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 will disclose the conflict of interest before undertaking further business with the Client or group of Clients.

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate with or without notice to the Client. Further information regarding the Policy is available upon request.



Should you require any further information and/or have any questions about conflicts of interest, please direct your request and/or questions to info@fxgm.eu.

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