

# CONFLICT OF INTEREST POLICY

## 1. INTRODUCTION

1.1. **Prime Whale LLC** is incorporated in St. Vincent and the Grenadines. The objects of the company are all subject matters not forbidden by the Limited Liability Companies Act, Chapter 151 of the Revised Laws of Saint Vincent and the Grenadines, 2009, in particular but not exclusively all commercial, financial lending, borrowing, trading, service activities, the participation in other enterprises. To provide brokerage, training and managed account services in foreign exchange /currencies, commodities, indexes, CFDs and leverage financial instruments.

1.2. The website [www.prime-whale.com](http://www.prime-whale.com) is operated by **Prime Whale LLC**, with registered office at First Floor, First St Vincent, Bank Ltd Building, James Street, Kingstown, St. Vincent and the Grenadines and NOT by any affiliate entity.

1.3. The purpose of the Conflicts of Interest Policy (hereinafter the “Policy”) is to set out the Company’s approach in identifying the circumstances which may give rise to a conflict of interest, the Company’s measures for preventing the rise of such conflicts of interest as well as managing conflicts of interest which may arise during the course of its normal business activities.

1.4. 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.

# CONFLICT OF INTEREST POLICY

## 2. DEFINITION

2.1. The term 'conflict of interest' is used to describe a situation which has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest i.e. the Company obtaining a financial or any other kind of benefit from the Client during the provision of investment services to the Client.

## 3. SCOPE

3.1. The Policy applies to all "Relevant Persons" in relation to the Company as defined in the Law including but not limited to all Company's directors, employees, any persons directly or indirectly linked to the Company by control who might be exposed to conflicts of interests arising between their personal interests and/or the interests of the Company with the interests of the Company's Clients and all interactions of the Company with its Clients as well as between one Client and another, in the course of providing any investment services.

## 4. RELEVANT PERSONS DUTY

4.1. All "Relevant Persons" have a duty, to the extent possible, to avoid any activities that could create conflicts of interest. It is imperative to firstly refrain from creating or contributing to the creation of conflicts of interest and where such exist to take all necessary measures for minimizing the impact to Client's best interest as per section "Management of Conflicts of Interest".

4.2. All "Relevant Persons" when faced with a possible conflict of interest situation, shall immediately notify the Compliance Officer of the conflict of interest situation.

## CONFLICT OF INTEREST POLICY

4.3. It is of most importance that the members of Board of Directors have a duty to avoid to the extent possible activities that could potentially create conflicts of interest. For that purpose, the following actions are in place in order to minimize the possibility of creating conflicts of interest:

- A. A member's duty to notify BoD prior the involvement to an activity e.g. serving on another management body that could raise contribute to conflict of interest;
  
- B. A member's duty to promptly disclose any matter that may result, or has already resulted, in a conflict of interest;
  
- C. A member's duty to abstain from voting on any other matter where the member may have a conflict of interest or where the member's objectively or ability to properly fulfill duties to the directorship may be otherwise compromised.

### **5. IDENTIFICATION OF POTENTIAL CONFLICT OF INTEREST**

5.1. For the purposes of identifying the types of conflicts of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a Client, the Company takes into consideration, by way of minimum criteria, the following criteria:

- A. The Company, the Execution Venue and/or any Related person of the Company is likely to make a financial gain, or avoid financial loss, at the expense of the Client;
  
- B. The Company, the Execution Venue and/or any Related person of the Company 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;

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## CONFLICT OF INTEREST POLICY

C. The Company, the Execution Venue and/or any Related person of the Company has a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Client;

D. The Company, the Execution Venue or a Related person carries on the same business as the Client;

E. The Company, the Execution Venue or a Related person 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.

### **6. POTENTIAL CONFLICTS OF INTEREST WITHIN A GROUP OF COMPANIES**

6.1. The Company must take into consideration any circumstance which might give rise to a conflict of interest as a result of the structure and business activities of any other members within the group.

6.2. The Company shall identify, with reference to the specific investment services and activities and/or any ancillary services carried out by or on behalf of the Company, any circumstances which constitute or give rise to a conflict of interest entailing a material risk of damaging the interests of one or more Clients.

6.3. The Company has adopted procedures and measures set out in 9. of the Policy, in order to manage conflicts of interest and ensure that Relevant Persons which are engaged with the provision of investment or ancillary services or activities, carry on those activities on a

# CONFLICT OF INTEREST POLICY

level of independence appropriate to the size and activities of the Company and of the Group.

## 7. EXAMPLES OF CONFLICT OF INTEREST

7.1. While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest 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 a result of providing investment and/or ancillary services:

- A. The Execution Venue may be matching the Client's Order with that of another Client by acting on such other Client's behalf as well as on the Client's behalf.
- B. The Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading.
- C. The Company may use entities which are members of its group as counterparties to certain transactions.
- D. Where the Execution Venue manufactures and/or distributes financial instruments
- E. that could adversely affect Clients' best interest
- F. Where the Company is the portfolio manager for more than one Client – in particular in respect of issues related to allocation;

## CONFLICT OF INTEREST POLICY

- G. Where the Company is the portfolio manager on behalf of a client and is trading
- H. against the Company's own capital;
- I. Where the Company provides investment advice for more than one Client – in particular in respect of issues related to allocation;
- J. Where the Company provides investment advice to Company's clients who are trading against the Company's own capital;
- K. The Company may produce investment research material which shall be used to support the clients' trading activities who will be trading against the Company's own capital;
- L. Where the remuneration of third parties (tied agents or affiliates) is based on the trading activity of clients referred to the Company, which may incentivize prohibited marketing tactics and the use of misleading information;

7.2. For the purposes of identifying the types of conflict of interest that could arise in the course of serving as a member of the management body, the following list of examples has been considered however the list is non-exhaustive:

- A. Where the management team does not follow the established procedures, which have taken into consideration all necessary measures for avoiding, reducing or managing conflicts of interest.

# CONFLICT OF INTEREST POLICY

B. During the amendment of established procedures, measures safeguarding the avoidance, reduction and management of conflicts of interest are amended in a way that it reduces or cancels their effectiveness

C. During the restructuring of the Company or the creation of new job positions, where important aspects relating to conflicts of interest have not been considered adequately

D. During the assessment of the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations under the Law

E. During the supervision and accountability for implementation of governance arrangements that ensure effective and prudent management

F. During the approval of manufactured or intended for distribution of financial instruments

## **8. DISCLOSURE POLICY**

8.1. The Company gives priority in identifying, preventing and managing conflicts of interests. Various processes and mechanisms have been established as per section 9 below for responding to potential conflicts and are updated whenever developments are taking place within the Company's operations or by responding to legislative updates.

8.2. Where a conflict of interest or a potential conflict of interest exists and the organizational and administrative arrangements are not sufficient to ensure, with reasonable confidence, that conflicts of interest will be prevented or managed effectively the Company shall disclose such conflicts of interest to the Client in writing in sufficient

# CONFLICT OF INTEREST POLICY

detail the general nature and/or source of the potential or the actual conflict of interest before undertaking business on his behalf.

8.3. Upon receiving the information, the Client based on the information has the right to decide whether or not to accept the provision of a specific service.

8.4. Where the Company is for any reason incapable of preventing or managing a possible conflict of interest it may choose to refuse to continue with the provision of the requested service from the Client.

## **9. MANAGEMENT OF CONFLICT OF INTEREST**

9.1. The Company has established adequate and appropriate internal procedures for minimizing any potential conflicts of interest which include the following:

A. the Company maintains a Compliance Department which is an independent unit within the Company. Some of the duties of the Compliance Officer is to monitor any possible deviation from the Company's internal policies and procedures as well as identifying and managing any possible conflicts of interest and report to the Company's Board of Directors.

B. appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.

C. effective procedures to prevent or control the exchange of information between Relevant 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;



## CONFLICT OF INTEREST POLICY

- D. procedures governing access to electronic data;
- E. 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;
- F. removal of any direct link between the remuneration of Relevant Persons principally engaged in one activity and the remuneration of, or revenues generated by different Relevant Persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- G. separate supervision on an on-going basis of the activities of third parties which perform services on behalf of the Company to ensure that such activities are performed in compliance with the applicable Law and regulations;
- H. risk-adjusted method of calculation of variable remuneration received by third parties which perform activities on behalf of the Company;
- I. 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;
- J. personal account dealing requirements applicable to Relevant Persons in relation to their own investments;
- K. measures to prevent or limit any person from exercising inappropriate influence over the way in which a Related person carries out investment or ancillary services or activities)  
measures to prevent or control the simultaneous or sequential involvement of any Related

## CONFLICT OF INTEREST POLICY

person in separate investment or ancillary services or activities where such involvement may impair the proper management of the conflicts of interest;

L. segregation of duties that may give rise to conflicts of interest if carried out by the same individual;

M. establishment of Chinese Walls restricting the flow of confidential and inside information within the Company, and physical separation of departments;

N. the Company ensures that marketing communication is reviewed and approved by the Compliance Officer prior to distribution to the Client. The Compliance Officer also ensures that such communication meets the relevant definition of marketing communication as well as having the appropriate disclosure statement;

O. establishment of the “four-eyes” principle in supervising the Company’s activities;

P. establishment, implementation and maintenance of policies and procedures to monitor the effectiveness of the Company’s Order Execution Policy and any other execution arrangements (more details of the Company’s Order Execution Policy can be found on the Company’s website under section ‘Legal Documentation’); procedures for taking all reasonable steps to obtain the best possible results when executing Client Orders.

# CONFLICT OF INTEREST POLICY

## 10. FINAL RESOLUTION OF CONFLICTS

10.1. Where Conflicts of Interest exist and the established internal procedures for minimizing any potential conflicts of interest are not adequate to manage the conflict to an acceptable level then the Head of the Compliance Department will take the final decision for its resolution.

## 11. INDUCEMENTS

11.1. The Company may pay and/or receive fees and/or commissions and/or any non-monetary benefits to and/or from third-parties. The Company ensures that it will only accept and/or pay such fees and/or commissions and/or any non-monetary benefits to and/or from any third parties at its own reasonable belief that such benefits will enhance the quality of the offered services to the Client. The Company ensures that such fees and/or commissions and/or non-monetary benefit do not impair the Company's duty to act in the best interests of the Client.

11.2. Where the Company has in place arrangements with third parties for distributing their products and services to its Clients and which receive fees and/or commission and/or non-monetary benefits according to the product's overall performance these arrangements will not be in the expense of the best interest of the Client.

11.3. The Company undertakes to disclose any further details of the above-mentioned arrangements relating to the fees and/or commissions and/or non-monetary benefits at the request of the Client.

11.4. Where the Company has in place arrangements with third parties for performing activities on behalf of the Company and which receive fees and/or commission and/or non-

# CONFLICT OF INTEREST POLICY

monetary benefits which are subject to mark-up or mark-down on the available trading prices, the Company shall obtain the Client's prior acknowledgment and acceptance.

## **12. STAFF REMUNERATION**

12.1. Determination of appropriate remuneration of staff members is conducted wholly by the Company's senior management. Only remuneration for senior staff is determined upon the overall business production of the Company.

12.2. All other staff members receive remuneration (either fixed or variable) which is determined by the nature and performance of their duties. The Company has established methods of calculating the variable remuneration received by a portion of the staff members of the Company, which are risk-adjusted and are designed to ensure that staff members act in the best interests of the Clients.

## **13. CLIENT CONCENT**

13.1. The Client acknowledges and understands that the Company has the right to determine the most appropriate and fit way to manage situations of conflicts of interest in accordance with the best interests of the Client, the nature and risks involved with a specific investment service as well as maintain the Company's business production

## **14. AMMENDMENT REVIEW**

14.1. The Company has the right to amend the current Policy at its discretion at any time it considers is suitable and appropriate. The Company shall review and amend the current Policy at least on an annual basis.

# CONFLICT OF INTEREST POLICY

## 15. FURTHER INFORMATION

15.1. For further details with regards to the Company's Conflicts of Interest Policy and procedures, the Client can contact the Support Department at [support@prime-whale.com](mailto:support@prime-whale.com) and request for such documentation.