

# **C B Financial Services t/a One Financial Markets**

## **CONFLICTS OF INTEREST POLICY**

**As at December 2019**

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## INTRODUCTION

It is an FCA requirement for firms to establish, implement and maintain an effective conflicts of interest policy that is set out in writing and is appropriate to the size and organisation of the firm and the nature, scale and complexity of its business.

This Conflict of Interest Policy ("Policy") outlines how C B Financial Services Ltd t/a One Financial Markets ("One Financial Markets", "the Company", "we", "us" or "our") manages the conflicts which can arise within One Financial Markets, between us and our client(s) and between our clients.

The objective of this policy is to identify conflicts and to ensure they are managed appropriately and fairly.

### Application

This Policy applies to all One Financial Markets' FCA regulated activities and applies to employees, appointed representatives, tied agents, contractors or any person directly or indirectly linked by control to One Financial Markets ("Relevant Person").

## IDENTIFICATION OF CONFLICTS OF INTEREST

For the purposes of identifying the types of conflict of interest that arise, or may arise, in the course of providing our service and whose existence may entail a material risk of damage to the interests of a client, we will take into account, as a minimum, whether a Relevant Person:

- 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 another client or group of clients over the interests of the 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.

The circumstances which will be treated as giving rise to a conflict of interest cover cases where there is a conflict between:

- the interests of the Company or certain Relevant Persons;
- the One Financial Markets group; and
- the duty the Company owes to a client;
- the differing interests of two or more of the Company's clients, to whom we owe in each case a duty.

It is not enough that we may gain a benefit if there is not also a possible disadvantage to a client, or that one client to whom we owe a duty may make a gain or avoid a loss without there being a concomitant possible loss to another such client.

## EXAMPLES OF CONFLICT

Circumstances which could give rise to a conflict of interest are listed below:

1. Where we act as principal in a trade which means the Company makes money from the client if he loses.
- We enter into back to back transactions immediately with our liquidity providers which means the Company's aims are more aligned with our clients notwithstanding we are acting as principal in all transactions.
2. Where a Director or senior manager could arrange a deal with a client on a profit sharing basis and then categorise the client in a way that means the Company makes money from the client if he is profitable and from the Company if he is not profitable.
- The process of client categorisation is the initial responsibility of the Chief Dealer and cannot be dictated by a Director or other Senior Manager, unless as part of the Risk Management team, which comprises several additional personnel.
3. Where we have a particular aggregate exposure in the market and a client trade may adversely affect that position, we may not wish to quote that client in such a way as to generate the outcome.
- Trades are processed automatically through the platform and therefore there is no human intervention to enable quoting against the client. We have a policy of treating customers fairly and have sufficient risk management policies and procedures in place such that we should not be in a position to either wish to or be able to quote against a client in such a way.

## PROCEDURES & MEASURES TO MANAGE CONFLICTS

The procedures and measures we have adopted to manage conflict of interests include the below:

1. **Compliance culture:** we have an effective compliance culture and personnel are aware of the requirements surrounding conflicts of interest. All staff are regularly assessed for competency in their roles and are required to follow procedures as detailed in the Company's Compliance Manual.
2. **Segregation of duties:** we have 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 client(s).
3. **Supervision:** we ensure 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 our own.

4. **Dealing and risk management policy:** we undertake all trading as principal to our clients' transactions and enter into back to back principal transactions in all cases which means our aims are more aligned with our clients. All orders are executed electronically, in accordance with an Order Execution Policy that adheres to relevant rules and regulations and our procedures are established to ensure that orders executed on behalf of clients are promptly and accurately recorded and that we carry out otherwise comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impractical or the interest of the client requires otherwise. We do not provide investment advice so no conflict can arise from this source.
5. **Remuneration:** we have removed 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.
6. **Personal account dealing:** we have a PA Dealing policy that applies to all staff and their associates, regardless of seniority, that sets out restrictions in trading.
7. **Gifts and inducements:** staff may not solicit or accept any gift or inducement which may influence their independence or business judgement or which could create a conflict with any duty owed to us or our clients. We do not prohibit our staff from receiving small gifts and minor hospitality from other parties with which we do business but only where in the opinion of a Director or senior manager it is at a level that is not lavish or excessive and only where it will not impair our duty to act in the best interests of our clients or other legal or regulatory obligations. A gifts register records all solicitation, offer or receipt of certain benefits.
8. **External business interests:** we have a policy in place that includes the requirement for all external directorships and outside business interests to be declared. Staff may not engage (unless granted prior written consent from a Director or permitted under the terms of their employment) or have an interest in any business which is or may be in competition with us and/or which would involve the use of the Company's time, property, facilities or resources.
9. **Training:** we provide training to Directors and employees on conflicts of interest and the procedures for managing conflicts of interest and have measures in place to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out services or activities.

The measures and procedures adopted by One Financial Markets are designed so that persons engaged in business involving a conflict of interest carry on their activities at a level of independence appropriate to the size and activities of the firm.

## RECORDS, MANAGEMENT & DISCLOSURE OF CONFLICTS

### Record of conflicts

One Financial Markets will keep a record of the kinds of service or activity carried out by or on behalf of the Company with which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.

## **Managing conflicts**

The Company will 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 of damage to the interests of its clients.

## **Disclosure of conflicts**

If arrangements made by One Financial Markets to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, the Company will clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business for the client.

The disclosure will be made in a durable medium and include 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 arises.

We will aim to identify and manage the conflicts of interest arising in relation to various business lines and our activities under the Policy. In particular, the disclosures of conflicts of interest by the Company do not exempt us from the obligation to maintain and operate effective organisational and administrative arrangements. While disclosure of specific conflicts of interest is required by the FCA, an over-reliance on disclosure without adequate consideration as to how conflicts may appropriately be managed is not permitted.

Where we consider, with reasonable confidence, that the arrangements in place to manage potential and/or actual conflicts of interest are not sufficient to avoid material risk of damage to a client's interest, we will disclose the general nature and/or sources of the conflict of interest to the client before undertaking any business for the client.

If you have any queries about this conflict of interest policy, or you wish to help us improve this Policy, please notify us by contacting us at [compliance@ofmarkets.com](mailto:compliance@ofmarkets.com)