

**7Q Financial Services Ltd**

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**Conflict of Interest Policy**

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This document records the Conflict of Interest Policy of 7Q Financial Services Ltd (hereinafter called “the Company”).

A conflict of interest may arise when the personal interests of a person may conflict with his/her professional obligations towards the Company, its personnel and its clients, or where the interests of clients may conflict between each other, or where there is conflict of interest between the Company and its Group. The Conflicts of Interest Policy of 7Q Financial Services Ltd, is in accordance with the demands of the “Investment Services and Activities and Regulated Markets Law of 2007”, pursuant to the European Directive MiFID – Market in Financial Instruments Directive. MiFID is the European Parliament’s and Council’s Directive 2004/393 EC, for financial markets.

The philosophy and practice of the Conflicts of Interest Policy have always been the 7Q Financial Services Ltd way of conducting business, which always operates bearing in mind the investors’ interests and takes every necessary measure to ensure their protection. Our Company shall not endanger its clients due to conflicts of interest.

### Relevant Legislation:

- Sections 18(2)(b) and 29 of the Investment Services and Activities and Regulated Markets Law of 2007, Law No. 144(i)/2007 as amended (the “Law”).
- Part VII of the Directive DI144-2007-01 of the CySEC for the Authorisation and Operating Conditions of the Cyprus Investment Firms (the “CySEC Directive”).

### Definitions:

According to the definitions in section 2 of the Law 144(I)/2007, “**Relevant Person**” means:

- (a) a member of the board of directors, partner or equivalent, manager or tied agent of the Investment Firm;
- (b) a member of the board of directors, partner or equivalent, or manager of any tied agent of the Investment Firm;
- (c) an employee of the Investment Firm or of a tied agent of the Investment Firm, as well as any other natural person whose services are placed at the disposal and under the control of the Investment Firm or a tied agent of the Investment Firm who is involved in the provision by the Investment Firm of investment services or/and the performance of investment activities;
- (d) a natural person who is directly involved in the provision of services to the Investment Firm or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Investment Firm of investment services or/and the performance of investment activities.

### Aim of the Conflicts of Interest Policy

The Company must identify, manage, record and, where relevant, disclose potential conflicts of interests between itself and its clients and/or between one client and another and/or between the Company and its Group and to have in place a policy relating to conflicts of interest. Where there is present a potential conflict of interest, the Company cannot provide a service or execute a transaction, unless it takes reasonable steps to ensure fair treatment for its clients.

### General Principles

The Company’s conflicts of interest 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;
- (b) specify procedures to be followed and measures to be adopted in order to manage such conflicts

The Company shall ensure that the procedures and measures taken are designed to ensure that relevant persons engaged in different business activities involving a conflict of interest carry on those activities at a level of independence appropriate to the size and activities of the Company and to the materiality of the risk of damage to the interests of Clients.

The procedures to be followed and measures to be adopted shall be necessary and appropriate for the Company to ensure the requisite degree of independence:

- (a) effective procedures must be in place in order 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
- (b) the 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
- (c) the 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
- (d) measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out the provision of investment and ancillary services
- (e) measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate activities where such involvement may impair the proper management of conflicts of interest

#### **Identification of Cases of Conflict of Interest**

For the purposes of identifying the types of conflict 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 shall need to take into account, by way of minimum criteria, the question of whether the Company or a relevant person, or a person directly or indirectly linked by control to the Company, finds itself in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (a) the Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client
- (b) the Company or that 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
- (c) the Company or that person 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 or that person carries on the same business as the Client
- (e) the Company or that 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

#### **Prevention of Conflicts of Interest: Forbidden Transaction Practices**

In order to prevent potential conflicts of interest between the Company, its members and the Clients of the Company, the following transaction practices shall be forbidden; and all employees must be aware of the following forbidden transaction practices, and shall be their responsibility to inform the Compliance Officer immediately in case any of these appear:

- (a) the provision to a Client of investment and ancillary services with the purpose of influencing the price of financial instruments for the benefit of the Company or related persons, particularly with respect to transactions that the Company or related persons are about to effect before or after the provision of the said investment and ancillary services.
- (b) the use of Client transaction information by the Company for own benefit or the announcement to third persons of such information.

- (c) 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.
- (d) the effect of transactions by members of the Company's staff and directors for their own account, or for the account of persons related to them, on the basis of confidential information which they acquire during course of their employment with the Company.

### **Prevention of Conflicts of Interest: Chinese Walls**

The Company shall have in place Chinese Walls procedures, pursuant to which no communication of information and data between the various business units of the Company must take place. In particular, the necessary Chinese Walls shall be erected between the various organizational units of the Company, so that to prevent the flow of confidential information in a way that which adversely affects the interests of Clients.

In this respect, the following procedures and measures should be followed:

- (a) Organizational units that may give rise to conflicts of interests will be located separately (i.e. physical separation of organizational units).
- (b) No person shall replace another person in his/her duties without the prior consent of the Compliance Officer. Such a consent will be given Compliance Officer after all issues of possible conflict of interest have been reviewed.
- (c) The Compliance Officer shall ensure that the Executive Directors or other hierarchical officers do not exercise inappropriate influence over the way in which a relevant person carries out the provision of investment and ancillary services. This shall be verified by frequent personal interviews with all Heads of the Departments

The Compliance Officer shall be responsible for maintaining such Chinese Walls, by means of regular checks and will be monitored by the Company's Internal Auditor.

### **Procedures & Controls for the Identification, and Management of Conflicts of Interest**

1. All relevant persons of the Company shall become aware of this Policy and the Compliance Officer shall ensure that the relevant employees will have the ability and knowledge to identify such cases of conflict of interests.
2. The Compliance Officer will, at least once a year, verify that all employees (including newcomers) are aware of the above.
3. The relevant persons of the Company, when faced with a possible conflict of interest situation as indicated in the above, will immediately contact the Compliance Officer and notify him of the fact.
4. Given the nature of the conflict of interest situation, the Compliance Officer shall decide whether to allow the transaction by notifying the Client, or not allow the transaction all together.
5. Disclosure and Management of Conflicts of Interest:  
If a potential Conflict of Interest has been identified and cannot be avoided, before the Company provides any services, the Company shall need to disclose to the Client or potential Client the general nature and any conflicts of interest potentially present.  
This shall be made in a durable medium and include sufficient detail, taking into account the nature and profile of the Client, to enable the Client to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises. The Compliance Officer shall have the responsibility to make/oversee such communication. Following such communication, the consent of the Client shall need to be obtained and recorded before proceeding with the provision of the service.
6. Recording of instances where there is a risk of Conflicts of Interest  
The Compliance Officer shall have the responsibility to keep and regularly update a record of the kinds of investment service or activity carried out by the Company in 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, including any actions taken, as well as any consents given.

## **Conflict of Interests Between the Company & the Group**

In this case, the Company being a member of a Group, the policies and procedures herein must also take into account any circumstances, of which the Company 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.

The Company shall need to have arrangements designed to ensure that relevant 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.

The Company reserves the right to change or amend its Conflicts of Interest Policy, in accordance with the relevant legislation, whenever it considers necessary. Every revision of this policy shall be posted on our Company website ([www.7qfs.com](http://www.7qfs.com)). For any questions please call +357 22763344.