

Conflict of Interest Policy

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Over-the-counter margined derivative contracts including contracts for difference and spot foreign exchange are complex instruments. They come with a high risk of losing money rapidly due to leverage. You should understand how these products work, and whether you can afford to incur losses and have the appropriate risk appetite. We recommend you seek professional advice before investing.

1 Introduction

- 1.1 Identifying and appropriately handling conflicts of interest is crucial, as they can pose a significant risk to a client's best interests when providing services and conducting activities. This document outlines CMS Financial's policy to managing these conflicts to protect clients from potential harm.
- 1.2 CMS Financial has reviewed its policies and procedures to confirm their continued suitability and to address any pertinent matters in a manner that is appropriate given the size and intricacy of its operations. The policy and the conflicts of interest register will undergo at least annual evaluations.
- 1.3 This document is not meant to establish obligations or rights for third parties or become a binding part of any contract between the company and its clients. The policy can be modified and updated whenever significant changes arise and will be subject to at least annual reviews.
- 1.4 It is advised to reach out to Compliance Officer immediately in case you are in doubt as to how to act in a given situation where you are faced with an actual or potential conflict of interest.
- 1.5 While it is imperative for all CMS Financial employees to adhere to the guidelines concerning conflicts of interest it's important to note that these guidelines do not provide an exhaustive account. Moreover, individuals who hold membership in professional associations as a result of their job roles may be subject to distinct and additional regulations. Non-compliance with any of these regulations, whether by means of explicit violation or by failing to uphold the essence of identifying, mitigating, and managing conflicts of interest, may be regarded as a breach of their employment contract. Consequently, CMS Financial reserves the right to take disciplinary action.

2 Conflict of interest

- 2.1 The services offered by CMS Financial to its clients could potentially give rise to conflicts of interest that could pose a significant risk of harm to one or more clients' interests. This document is designed to outline these potential conflicts and the established procedures and actions to handle and mitigate these conflicts effectively.
- 2.2 Conflicts of interest can arise in various situations, such as between a client and CMS Financial, involving the company's managers, employees, or any individuals connected to the organization, as well as between two or more clients.
- 2.3 Fair treatment of customers is a fundamental principle of CMS Financial's core values. The organization has nurtured a culture that distinguishes between acceptable and unacceptable behavior. Consequently, the handling and resolution of conflicts of interest play a crucial role in upholding this philosophy and culture.

3 Definition

- 3.1 A real or potential conflict of interest can occur when, in the course of its operations and services, CMS Financial (including its managers, employees, appointed representatives, or individuals connected to them through control) or its associates, have interests that directly or indirectly compete with the interests of its clients, and this competition could significantly prejudice the client's interests.

4 Identifying situations where a conflict may arise

4.1 Situations that lead to conflicts of interest encompass all instances where there is a conflict between:

- (i) The interests of CMS Financial LLC, an individual member of staff, certain persons directly or indirectly associated with CMS Financial; and the duty that CMS Financial owes to a client; or
- (ii) conflicting interests of two or more clients, given that CMS Financial owes a distinct duty to each of them.

4.2 Conflicts of interest can prejudice a client in various ways, regardless of whether CMS Financial incurs any financial loss and irrespective of whether the actions or motivations of the involved employees are deliberate. To identify the types of conflicts of interest that may arise, CMS Financial must consider, at a minimum, whether the firm, a relevant individual (e.g., a partner, employee, appointed representative, or a director, partner, or employee of an appointed representative, or a person directly involved in providing services to the firm or its appointed representative under an outsourcing arrangement), or an individual linked to the firm through control:

- (i) is expected to achieve a financial benefit or evade financial loss at the client's cost;
- (ii) has an interest in the outcome of the service to, or a transaction carried out for, a client which differs from the client's interest;
- (iii) has a financial or other incentive to prioritize one client (or a group of clients) over the interests of another;
- (iv) engages in the same or a similar business as the client; and/or,
- (v) receives an incentive from a third party during the delivery of the service to the client, apart from the regular commission or fee for that service.

5 Generic Conflicts

5.1 CMS Financial has identified the following situations in which general categories of potential conflicts of interest could emerge:

- (i) the company or an associate undertakes designated investment activities for other clients, including its associates (and the clients of its associates);
- (ii) a partner or employee of the company or of an associate serves as a director or partner, owns or trades in securities of, or has an interest in any company whose securities are held or traded on behalf of a client;
- (iii) a partner or employee of the company or of an associate is engaged in the management of any company whose securities are held or traded on behalf of a client;
- (iv) a transaction is affected in units or shares of a fund or company for which the company or an associate serves as the manager, operator, or adviser;
- (v) a transaction is affected in securities in respect of which the company or an associate, or a partner, director, or employee of the company or an associate, is contemporaneously trading or has traded on their personal account, holding either a long or short position. Additionally, when serving as an agent for a client, the company may match the client's order with an order from another client for whom it is also acting as an agent.

6 Prevention and management

6.1 CMS Financial has identified certain potential conflicts of interests that might arise concerning its activities. The company will provide clients with a disclosure of the general nature and origin of these conflicts before engaging in business. This disclosure will be presented in a manner that allows the client to make an informed decision about the service within the specific context in which the conflict has emerged. For each potential scenario, CMS Financial has conducted an assessment to determine whether the risk is actual or potential for one or more of its clients.

6.2 It is not always possible to completely avoid the occurrence of real conflicts of interest.

- 6.3 In such situations, CMS Financial will make efforts to handle conflicts of interest by separating responsibilities where possible, or by establishing information barriers. Under specific conditions, CMS Financial may have to decline taking on a new client.
- 6.4 If CMS Financial considers developing of new products or services or intends to implement changes to its business model or operations, the senior management will assess whether any additional potential conflicts of interest arise.
- 6.5 The senior management will regularly revise the "Conflicts of Interest Policy" and the "Register of Potential Conflicts of Interest" as necessary and will conduct a formal assessment of the adequacy of these arrangements on an annual basis.

7 Inducements including gifts and hospitality

- 7.1 CMS Financial maintains business relationships with third-party entities that may compensate CMS Financial through management and performance fees. These payments can take the form of either monetary or non-monetary benefits, potentially impacting CMS Financial's fiduciary responsibilities to the client. These payments are classified as inducements.
- 7.2 Gifts and hospitality may create potential conflicts of interest. Employees are prohibited from accepting or providing any gift or benefit that cannot be deemed justifiable under all circumstances. Policies and procedures have been put in place to ensure that staff and their related individuals do not offer or accept gifts or inducements which may create the perception that decisions or actions are partial.
- 7.3 All employees are expected to uphold the highest standards of integrity to prevent any allegations of conflicts of interest.
- 7.4 The Compliance Officer maintains a record of any gifts or hospitality that are either received or given. In cases where an invitation to a hospitality event could be seen as a business inducement, it should be declined, and the Compliance Officer must be informed.

8 Personal accounts dealing

- 8.1 Employees are permitted to engage in personal investment activities, provided that these activities comply with relevant laws and regulations, do not excessively distract their attention from their employment responsibilities, and do not pose an unacceptable risk to the company's reputation. Additionally, personal investment transactions should be free from business and ethical conflicts of interest. Employees must never misuse proprietary or client-confidential information for their personal transactions and must ensure that clients are never placed at a disadvantage due to their personal dealings.
- 8.2 CMS Financial has put in place a Personal Account Dealing Policy to ensure that staff members' personal account transactions align with the policy. This includes a mandate for obtaining pre-deal approval from the Compliance Officer.

9 Outside employment, external directorships and business interests

- 9.1 No employee is allowed to pursue any additional occupation without obtaining approval from the company. In certain situations, the company may choose to withhold consent.
- 9.2 Employees are not permitted to accept personal fiduciary appointments (such as trusteeships, director appointments, or executorships) unless they first receive written approval from the Compliance Officer. This requirement excludes appointments that result from family relationships.

10 Aggregation of orders

- 10.1 When CMS Financial LLC combines or aggregates client orders, it is required to ensure that this aggregation does not harm any client whose order is being aggregated. This principle is outlined in the order execution policy of CMS Financial LLC.

11 Disclosure

- 11.1 In specific instances, CMS Financial LLC may disclose its clients in writing about the general nature and/or source of potential or actual conflicts before conducting business on its behalf. This allows the client to make an informed decision regarding whether or not to accept these potential conflicts.
- 11.2 If it proves impossible to prevent or handle a conflict of interest, CMS Financial may find it necessary to decline the request for the service.

12 Segregation of Duties

- 12.1 Within the investment management business, there are various specific tasks that could result in potential conflicts of interest. These conflicts are effectively managed by separating them from the individuals directly engaged in those tasks.

13 Information barriers

- 13.1 CMS Financial LLC upholds policies in its internal policies that outline the possible implementation of "Information Barriers." These barriers are designed to restrict or prevent the use of information that is price-sensitive, confidential, and could lead to market abuse, restrictions on dealing, conflicts of interest, or other unethical or improper activities.
- 13.2 The Compliance Officer, in collaboration with the appropriate business line managers, oversees the efficiency of any necessary Information Barriers. In certain circumstances, when staff must access information that is restricted by these barriers, the Compliance Officer should be informed, and a record of this action should be maintained.

14 Remuneration and Oversight

- 14.1 The Senior Management at CMS Financial is responsible for overseeing and deciding on the appropriate remuneration for staff members.
- 14.2 Remuneration is determined based on the overall performance and results of the firm and is not linked to the success of any individual transaction.
- 14.3 For customer-facing and sales staff, a portion of their remuneration should be based on business production.
- 14.4 Staff members are under the oversight and supervision of management to ensure that CMS Financial LLC able to demonstrate that it has suitable and effective measures in place to ensure that conflicts of interest are properly managed.

15 Record Keeping

- 15.1 CMS Financial LLC is obligated to maintain and regularly update a written record that describes the types of ancillary services or activities conducted by the firm or on its behalf, in which a conflict of interest posing a significant risk to the interests of one or more clients has occurred, or in the case of ongoing services or activities, may arise. These records will be preserved for at least 10 years from their creation date, and they are continuously managed by the Compliance Officer.

16 Reporting

- 16.1 Any conflicts of interest situations or potential conflict situations should be promptly reported to the Compliance Officer.