

**Anjali Capital Markets**

**Conflicts of Interest Policy**  
**DRAFT**

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# 1. Introduction

This Conflicts of Interest Policy (hereinafter, the “Policy”) is provided to you (our client or prospective Client) and contains information on how Anjali Capital Markets is seeking authorisation from the Financial Services Commission of Mauritius (hereinafter the “Company”) identifies, manages, mitigates and where applicable discloses any conflict of interest that may arise during the course of this business relationship.

In terms of the provisions of Code of Business Conduct Issued under section 7(1) (a) of the Financial Services Act 2007, Anjali Capital Markets must avoid any conflict of interest with the clients and, where such a conflict unavoidably arises, ensure fair treatment to the client by complete disclosure or declining to act.

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 and/or any other relevant Laws and/or Regulations when providing investment services and ancillary services related to such investment services.

Furthermore, as a licensee of the Financial Services Commission under the Securities Act 2005, Anjali Capital Markets is required to manage the conflicts so that they do not damage the customers’ interest.

However, Anjali Capital Markets recognizes that there may be instances whereby conflicts of interest are unavoidable and, therefore, must be managed.

Any Anjali Capital Markets employee, officer or director who becomes aware of a conflict or potential conflict is required to bring it to the attention of the Senior Management and Compliance. Nevertheless, it is still under business responsibility to avoid and manage any potential, apparent or actual conflict as first line of defence.

## 2. Scope

The purpose of this document is to set out the Company’s approach in identifying and managing conflicts of interest which may arise during its normal business activities. In addition, this document identifies circumstances which may give rise to a conflict of interest.

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

The Policy shall be updated from time to time but at least once a year to reflect legal and regulatory evolution and shall be communicated to all staff and approved by the Board. Compliance with the Policy is a term of employment with Anjali Capital Markets. Failure to comply with the Conflict of Interest or any other applicable policy or procedure applicable to you, as well as any violation of the outlined standards, may result in disciplinary action which may subsequently entail termination of employment.

### **3. General Identification of Conflicts of Interest**

#### **3.1 General Principles**

When the Company deals/transacts with or on behalf of the Client, the Company (or an associate or any other person connected with the Company) may have an interest, relationship or arrangement in relation to the Transaction concerned or that it conflicts with the Client's interest. The Company hereby identifies and discloses a range of situations and circumstances which may give rise to a conflict of interest and potentially, but not necessarily, be detrimental to the interests of one or more Clients.

The Company shall take all appropriate 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 services.

The Company's Policy, in general:

1. identifies circumstances which may give rise to conflicts of interest entailing a material risk of damage to the interest of the Client.
2. specifies appropriate mechanisms and systems to manage the potential conflicts.
3. maintains systems designed to prevent damage to our clients' interests through identified conflicts.

The affected parties if conflict of interest arises can be the Company, its employees or its clients. More specifically, a conflict of interest may arise between the following parties:

1. Between the client and the Company.
2. Between two clients of the Company.
3. Between the Company and its employees.
4. Between a client of the Company and an employee/ manager of the Company.
5. Between Company's Departments.
6. Board of Directors Anjali Capital Markets and Anjali Capital Markets Clients; and
7. Related third parties and Anjali Capital Markets.

#### **3.2 Criteria and Circumstances**

For the purposes of identifying the types of conflicts of interest that may arise while providing investment and ancillary services whose existence may damage the interest of a Client, the Company takes into account, whether the Company or a relevant person, is in any of the following situations, whether as a result of providing investment services or investment activities or otherwise:

- a) The Company or a Related Person is likely to make a financial gain or avoid a financial loss at the expense of a client;

- b) The Company 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;
- c) The Company or a Related Person has an interest in the outcome of a service provided to the Client or of a transaction carried out for the Client, which is distinct from the Client's interest in that outcome;
- d) The Company or a Related Person has a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Client;
- e) The Company or a Related Person carries out the same business as the Client.

### **3.3 Non-Exhausting list of Circumstances of Conflicts of Interest:**

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 services:

- a) The possible use of confidential information derived from the different departments of the Company.
- b) The remuneration of Providers by the Clients through the Brokers where the interest of the Client conflicts with the interest of the Provider.
- c) The Company may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the Client's personal objective of minimizing transaction costs.
- d) The Company may be providing other services to associates or other Clients of the Company who may have interests in Financial Instruments or Underlying Assets, which are in conflict or in competition with the Client's interests.
- e) The Company may be matching the Client's orders with that of another Client by acting on such other Client's behalf as well as on the Client's behalf.

The Client consents to and authorises the Company to deal with or for the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a transaction, without prior reference to the Client. Company employees are required to comply with a policy of independence and to disregard any such material interest or conflict of interest while offering services to the Client.

### **3.4 Personal Transactions of Employees**

All employees of the Company that are involved in activities that the Company is authorised to provide must be aware of the restrictions on personal transactions detailed below. This section

also includes personal transactions which may be performed by persons who are employed by companies which perform an outsourced activity to the Company, if any. In case where any prohibited personal transactions are entered into, the Company must be notified promptly.

Employees of the Company that are involved in the provision of investment services or other activities must not enter into the personal transactions that which will cause the following:

1. misuse or cause improper disclosure of confidential information,
2. enter in a transaction that is likely to conflict with any obligations of the Company, or the employee, that are stated under the law.

Where the employee has come into contact with information which is not publicly available to clients or cannot readily be inferred from information that is so available, the employees must not act or undertake personal transactions or trade in the execution of an unsolicited client order, on behalf of any other person, including the Company.

The employees should also refrain from disclosing any opinion other than in the normal course of business, if the person who is given the opinion is likely to enter into a transaction which is contrary to the above. The employee should further not provide an advice or provide to anyone any information, other than in the proper course of his/her employment, especially if it is clear that the person who is receiving such information will advise another party who might acquire or dispose of financial instruments to which that information relates.

Any client's orders that have been relayed to any employees of the Company must not be disclosed to another party. An employee of the Company who has knowledge of a potential client's order must not carry out a personal transaction that is the same as the client order, if this will cause a conflict of interest.

### **Escalation Process**

- a. Upon identification of a new conflict, the business must disclose it with local Compliance and Senior Management, which then will determine if the conflict has been adequately addressed and if the register is updated accordingly.
- b. In order to do so, Anjali Capital Markets employees must use the Declaration of Interest Form.
- c. Where necessary, Senior Management will have to initiate necessary steps to ensure mitigation of the conflict of interests identified directly within the business procedures. If otherwise, then the conflict needs to be escalated accordingly to Senior Management and Local Compliance for discussion and resolution within 48h.
- d. Senior Management and local Compliance will work together for resolution and will provide with outcome within 5 business days.
- e. Whether a further escalation is required to the Supervisory Board and the Global Head of Compliance, the resolution will need to be achieved within 10 business days from the notification.

f. Anjali Capital Markets defines this formal escalation procedure as follows:

- 1) When a conflict of interest is identified and it cannot be dealt with or addressed within the normal procedures, then this must be reported immediately to the Compliance Officer, which will have the responsibility of tracking the instance, assess it and find solutions.
- 2) Should the Compliance Officer need further guidance on such conflicts, it will report them to the Board of Directors, which will then consider the potential conflict situation in detail and thereafter decide on further proceedings.

## **4. Management of Conflicts of Interest**

### **4.1 Independence**

The following measures have been adopted by the Company for ensuring the requisite degree of independence (list is not exhaustive):

- 1) The Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
- 2) The Company undertakes effective procedures to prevent or control the exchange of information between Related 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.
- 3) The separate supervision of Related Persons whose principal functions involve providing services to Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- 4) Measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services.
- 5) Measures to prevent or control the simultaneous or sequential involvement of a Related Person in separate investment services where such involvement may impair the proper management of conflicts of interest.
- 6) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
- 7) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- 8) Procedures governing access to electronic data.
- 9) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.

- 10) Personal account dealing requirements applicable to Related Persons in relation to their own investments.
- 11) Establishment of Compliance Department to monitor and report on the above to the Company's Board of Directors.
- 12) 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.
- 13) Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- 14) Establishment of the "four-eyes" principle in supervising the Company's activities.
- 15) A policy designed to ensure that clients' orders are executed in terms favorable to them.

## **4.2. Specific Identification of Conflict of Interest and Measures for their Management**

The Company is constantly conducting an in-depth analysis of its business and organizational arrangements including best execution arrangements, inducement practices, remuneration practices and investment research/marketing communication procedures, to ensure that all likely conflict of interest situations are identified regardless of materiality.

## **4.3 Disclosure of Conflict of Interest**

The Company must adequately consider how to manage all conflicts of interest before resorting to disclosure. This will be a last resort after all appropriate steps have been taken.

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure with reasonable confidence that risks of damage to clients' interest will be prevented, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carrying out a transaction or before providing an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made in sufficient time and in a durable manner and shall include sufficient detail, considering the nature of the client, to enable him to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest may arise.

Clients will be given the opportunity to decide on whether to continue their relationship with the Company due to the conflict disclosed, without being unreasonably prohibited from doing so.

## **4.4 Record Keeping**

The Company shall keep and regularly update a record of the kinds of investment and ancillary services, or investment activities carried out by or on behalf of 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. The following documentation shall be maintained for seven (7) years.

- this policy, any functional variations if applicable.
- the Conflicts Log and the Conflicts Identification and Management Map.
- rules, procedures, and processes.
- training material and training records.
- Conflicts of Interest Notification Forms.
- details of any review work carried out (including any decisions made on conflicts management); and
- any other documentation used to demonstrate the management of conflicts of interest.

## **4.5 Enforcement and Review of the Policy**

The Company's Compliance Officer is responsible for clearly allocating responsibility and delegating authority to accountable individuals to ensure that those involved are aware of their involvement and that the Conflict Officer has a sufficient level of authority and independence in order to carry out their responsibilities effectively.

The Company's Board is required to:

- fully engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest; adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines and to ensure that informed judgments are made with respect to materiality.
- raise awareness and ensure compliance of relevant individuals by ensuring regular training (including contractors and third-party service providers' staff) both at induction and in the form of refresher training; the clear communication of policies, procedures and expectations; that awareness of conflicts procedures forms part of the performance review/appraisal process, and that the best practice is shared throughout the Company.
- sponsor robust systems and controls and effective regular reviews to ensure that strategies and controls used to manage and mitigate risks remain appropriate and effective and that appropriate warnings and disclosures are issued to clients where necessary.
- utilize management information to remain sufficiently up-to-date and informed; and
- support an independent review of the processes and procedures in place.

Individuals are required to identify new conflicts of interest arising out of the activities/ services that they perform and engage in the process to notify line management upon identifying any potential conflict.

The Company encourages its clients to periodically review this Client Conflict of Interest Policy so that they are always aware of what information the Company collects, how it uses it and to whom it may disclose it, in accordance with the provisions of this Policy.

## **4.6. Amendment of the Policy and Additional Information**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Company and the Client.

Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to (Conflict Reporting Internal Email)?

## **4.7. Training**

a. Appropriate training is delivered by Compliance department on a yearly basis to employees educating and reinforcing the company's culture of integrity and requirements regarding conflicts of interest. In order to facilitate this process, Anjali Capital Markets shall ensure that:

- 1) All employees have permanent and easy access to the company's Code of Conduct and Ethics and Conflict of Interest policy. These are stored in the Intranet; and
- 2) Each employee receives, on commencing their employment a copy of the Code of Conduct and Ethics and the Conflict-of-Interest policy. The employee has to sign that they have read and understood these rules of conduct and commit in writing to respect them.
- 3) All employees have access and are enrolled to the annual mandatory training through Knowledge Academy and/or local classroom.

b. Training will need to include at least:

- 1) the definition of a conflict of interest.
- 2) the risk associated with conflict of interest, such as financial, reputational, regulatory and legal.
- 3) roles and responsibilities for identifying and managing conflicts; and
- 4) Conflict risk assessment principles.