

Plus500CY Ltd.



# Plus500

## World's Trading Machine

### Conflict of Interest Policy Statement



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# Summary of Conflict of Interest Policy Statement

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## 1. Introduction

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- 1.1. This Conflict of Interest Policy Statement outlines how Plus500CY Ltd. ("Plus500" or "the Company") manages the conflicts which can arise within Plus500, between Plus500 and its customers and between customers of Plus500. This Policy is reviewed from time to time to take account of changes to operations or practices and, further, to make sure it remains appropriate to any changes in law, technology and the general business environment.
- 1.2. This statement summarises policies adopted by Plus500 in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 144(I)/2007, as subsequently amended from time to time ("the Law"), pursuant to which Plus500 is required to take all reasonable steps to detect and avoid conflicts of interest.
- 1.3. This policy applies in respect of all activities undertaken by Plus500 and employees of Plus500, and any persons directly or indirectly related to Plus500 ("Related Persons").

## 2. Identification of Conflicts of Interest

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- 2.1. When the Company deals with the Client, the Company, an associate or some other person connected with the Company may have an interest, relationship or arrangement that is material in relation to the Transaction concerned or that it conflicts with the Client's interest.
- 2.2. 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) Plus500 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;
  - (b) Plus500 is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
  - (c) Plus500 may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;



### 3. Procedures and Controls for Managing Conflicts of Interests

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- 3.1. In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures (list is not exhaustive):
1. Plus500 undertakes all trading as principal to its customers transactions, it hedges its net risk with counterparties which means that customers aims are more aligned with its own aims notwithstanding it is acting as principal in all transactions. As Plus500 does not provide investment advice no conflict can arise from this source. It is not within the scope of the Firm's regulatory permissions to provide investment advice. Plus500 only offers CFD's, therefore any conflict which could arise between different product lines cannot exist.
  2. Plus500 takes responsibility for identifying and managing other conflicts of interest arising in its business that may entail a material risk of damage to the interests of customers. Plus500 have considered, in particular, the potential conflicts of interest arising out of the execution of transactions for its customers.
  3. The following measures have been adopted in relation to other conflicts of interest:
    - (a) Plus500 undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
    - (b) Plus500 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.
    - (c) Chinese walls exist restricting the flow of confidential and inside information within Plus500, and physical separation of departments.
    - (d) Plus500 takes measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Persons carry out investment services.
    - (e) Plus500 ensures segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
    - (f) Plus500's Internal Auditor ensures that appropriate systems and controls are maintained and reports to the Board of Directors.
    - (g) Plus500 has established the "four-eyes" principle in supervising its activities.
    - (h) When Plus500 executes an order for a customer it does not give any preferential treatment to that customer to the detriment of other customers and does not disclose the details of one customer order to other customers.
    - (i) Plus500 executes all orders electronically, in accordance with policies that comply with relevant rules and regulations in relation to transactions which are executed for or on behalf of customers. Plus500's procedures provide for the prompt, fair and expeditious execution of customer orders, relative to other orders. These procedures allow for the execution of otherwise comparable orders in accordance with the time of their receipt.

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- (j) Plus500's procedures are established to ensure that orders executed on behalf of customers are promptly and accurately recorded and that it carries 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 customer requires otherwise.
  - (k) Plus500's procedures ensure that Plus500, its employees and affiliates cannot misuse information relating to pending customer orders.
  - (l) All employees of Plus500 are prohibited from dealing on personal accounts to avoid any actual or perceived conflicts of interest.
  - (m) All employees of Plus500 are prohibited from accepting gifts or other inducements from any person with any material interest which is likely to conflict to a material extent with any duty which Plus500 and/or its employees owe in connection with its treating customers fairly policy or any duty which such a recipient owes to customers.
- 4. Plus500 is committed to having an effective and appropriate compliance culture to enable it to deal with any new potential conflicts of interest which may arise in the future. Plus500's employees are therefore required to monitor any new circumstances giving rise to potential conflicts and to implement appropriate measures to address these.
  - 5. In the unlikely event that Plus500's arrangements to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a customer will be prevented, Plus500 are required to clearly disclose the general nature and/or sources of conflicts of interest to a customer before undertaking business for them.

#### 4. Client's Consent

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- 4.1. By entering into the User Agreement with Plus500 for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to and authorizes Plus500 to deal with the Client in any manner which Plus500 considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a Transaction, without prior reference to the Client.

#### 5. Amendment of the Policy and Additional Information

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- 5.1. Plus500 reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the User Agreement between Plus500 and the Client.

#### 6. When and how to contact us

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- 6.1. 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: [support@plus500.com](mailto:support@plus500.com).

Cyprus, October 2014

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