

CONFLICTS OF INTEREST POLICY



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Oval Ltd – Seychelles Securities Dealer (License SD221)

1. Purpose and Regulatory Framework

Oval Ltd (“the Company”) maintains a Conflicts of Interest Policy in accordance with the requirements of the **Financial Services Authority (FSA) Seychelles**, the **Securities Act 2007**, the **Financial Services (Conduct of Business) Regulations 2018**, and the **Financial Consumer Protection Act (FCPA) 2022**.

This summary explains how Oval Ltd identifies, prevents, and manages conflicts of interest when providing investment and related services. The policy aims to ensure:

- Fair treatment of all clients
- Transparency and integrity in business conduct
- Adequate protection of client interests
- Compliance with applicable regulatory obligations

2. Definition of a Conflict of Interest

A conflict of interest may arise when the Company, a member of its staff, or a related party has a competing interest that may adversely influence the services provided to a client.

Examples include situations where the Company or a relevant person:

1. May gain financially, or avoid a loss, at the client’s expense
2. Has an interest in the outcome of a client’s transaction that differs from the client’s own interest
3. Has an incentive to favour one client or group of clients over another
4. Carries on a business that competes with, or conflicts with, the client’s activities
5. Receives inducements (payments, gifts, rebates, or benefits) from third parties beyond standard fees

These circumstances may impair neutrality, objectivity, or the integrity of services delivered to clients.

3. Identification of Conflicts of Interest

Oval Ltd proactively identifies conflicts through:

- Monitoring day-to-day operations and transaction flows
- Internal reporting obligations for employees and senior management
- Compliance review of all business units, departments, and external relationships
- Assessment of proposed new products, vendors, technologies, and liquidity arrangements

Common conflict categories within the brokerage/trading environment include:

- Personal account dealing by employees
- Use or misuse of non-public, confidential, or proprietary information
- Preferential client treatment
- Inducements from technology vendors, affiliates, or liquidity providers
- Revenue-sharing or rebate arrangements
- Conflicts relating to execution, pricing, or asymmetric slippage
- Selection of service providers with whom staff or management have personal ties

Any identified conflict is escalated to the **Compliance Department** for assessment and mitigation.

4. Measures for Preventing and Managing Conflicts

Oval Ltd implements a comprehensive framework to eliminate or mitigate conflicts of interest.

a. Organisational & Governance Controls

- Clear segregation of duties between departments (e.g., Dealing, Risk, Compliance, Finance, Operations)
- Independent oversight by the Compliance and Internal Audit functions
- Four-eyes principle applied to material decisions
- Restriction of any single individual from holding conflicting responsibilities

b. Information Barriers

- *Chinese Walls* to prevent improper sharing of sensitive or confidential information

- Access to data granted strictly on a *need-to-know* basis
- System and IT controls to prevent unauthorized data access
- Monitoring of electronic communications and data-storage permissions

c. **Personal Account Dealing Restrictions**

- Employees must obtain authorization before opening or maintaining trading accounts with other brokers
- Employees are prohibited from trading financial instruments where confidential or inside information is held
- All personal transactions must be reported promptly to Compliance
- Records of all employee trading activities are maintained and regularly reviewed

d. **Gifts, Inducements, and Benefits**

- Acceptance of gifts or hospitality is restricted and monitored
- Any inducements from third parties must be pre-approved and must not impair the Company's obligation to act in the client's best interest
- Staff remuneration structures are designed to avoid incentives that could bias decisions or disadvantage clients

e. **Operational & Execution Controls**

- Ongoing monitoring of liquidity providers, pricing engines, and execution bridges
- Fair treatment across clients, with no preferential pricing or execution
- Surveillance of slippage, re-quotes, and trade handling
- Regular best-execution reviews

f. **Segregation of Client Funds**

- Client assets are maintained separately from the Company's own funds
- Accounting records ensure accurate and transparent segregation
- Safeguards are in place to prevent misuse or misappropriation of client funds

g. **Staff Training & Awareness**

- Mandatory training on conflicts of interest, ethics, and market conduct
- Periodic refreshers to ensure ongoing awareness

5. Disclosure of Conflicts of Interest

5.1. General Principle

Oval Ltd acknowledges that certain conflicts of interest cannot always be completely eliminated through internal controls. In such circumstances, where the Company reasonably believes that the residual conflict may pose a potential risk of harm to a client, Oval Ltd will provide the client with a clear, fair, and not misleading disclosure of the conflict prior to providing the relevant service or performing the relevant transaction.

Disclosure is considered a **measure of last resort**, used only when the organisational and administrative arrangements implemented by the Company are insufficient to ensure, with reasonable confidence, that the risk of client detriment can be fully prevented.

5.2. Purpose of Disclosure

The purpose of disclosure is to enable the client to:

- Understand the **exact nature and origin** of the identified conflict
- Assess the **potential impact** of the conflict on the service provided
- Make an **informed decision** on whether to proceed with the transaction or engagement
- Request further clarification, enhanced safeguards, or to decline the service if needed

Disclosure is **not** intended to shift responsibility to the client. Oval Ltd retains full responsibility for managing and mitigating conflicts to the greatest extent possible.

5.3. Form and Medium of Disclosure

Disclosures will be provided in a **durable medium**, which may include:

- Email communication
- Written notices
- Appendices or addendums to the Client Agreement
- Specific risk disclosure statements
- Secure client portal notifications with downloadable copies

Each disclosure must be retrievable, reproducible, and stored according to the Company's data retention requirements.

Oral disclosures are **not permitted** unless immediately followed by written confirmation.

5.4. **Contents of the Disclosure**

Every conflict-of-interest disclosure issued by Oval Ltd shall include, at a minimum:

a. **Description of the Conflict**

A clear explanation of:

- The factual circumstances giving rise to the conflict
- The specific roles, departments, or individuals involved
- The business activity or transaction affected

b. **Source and Nature of the Conflict**

This may include, but is not limited to:

- Financial incentives
- Execution arrangements
- Revenue-sharing or rebate structures
- Liquidity selection or pricing mechanics
- Personal account dealing
- Outsourcing/vendor relationships

c. **Potential Risks to the Client**

A fair assessment of:

- How the conflict may influence pricing, execution quality, or advice
- Any potential for unfair treatment
- Possible impact on transparency, delays, or internal decision-making

d. **Measures Taken to Mitigate the Conflict**

Explanation of steps the Company has already taken to minimize the conflict, such as:

- Information barriers
- Restriction of access rights
- Independent supervision

- Reassignment of personnel
- Automated controls

e. Client Options

Clients will be informed of their rights, including:

- Proceeding with the service based on the disclosed information
- Requesting additional details
- Asking for alternative arrangements
- Declining the service altogether

5.5. **Situations Where Disclosure is Mandatory**

Disclosure will be issued in scenarios such as (but not limited to):

- The Company may gain financially from a client's loss
- A relevant person has a personal interest in a specific transaction
- Pricing, execution, or routing decisions could favour one client over another
- The Company receives rebates or commissions from liquidity providers or partners
- A staff member or department has a competing professional duty
- Conflicts arising from proprietary trading or risk internalization
- Situations involving family relationships or close economic links

5.6. **Company's Right to Decline to Act**

Oval Ltd reserves the right to **refuse to proceed** with a transaction or a client instruction when:

- The conflict presents a significant or unmanageable risk
- Disclosure alone is insufficient to ensure fair treatment
- Proceeding would breach regulatory obligations
- Internal controls cannot neutralize the impact of the conflict

In such cases, the Company will inform the client of the refusal and, where appropriate, offer alternative options.

5.7. **Record-Keeping**

Oval Ltd will maintain detailed records of:

- All disclosed conflicts

- The analysis conducted by Compliance
- Copies of written disclosures issued to clients
- Client responses and decisions
- Any subsequent actions taken

These records will be retained for a minimum of **seven (7) years**, or longer where required by FSA Seychelles.

5.8. **Review of Disclosures**

The Compliance Department will perform periodic reviews to ensure:

- Disclosures remain accurate, up-to-date, and relevant
- Templates and formats meet legal requirements
- Staff understand when and how to issue disclosures
- New business lines or products are properly assessed for conflicts

Findings will be reported to Senior Management as part of the **annual Conflicts of Interest Policy review**.

6. **Review, Oversight, and Updates**

Oval Ltd recognises that an effective Conflicts of Interest Policy must remain dynamic and responsive to ongoing regulatory, operational, and industry developments. To ensure that the Policy remains current, robust, and aligned with best practices, the Company has established a comprehensive framework for continual oversight, review, and enhancement.

6.1. **Annual Review Requirement**

At a minimum, the Policy is subjected to a formal **annual review** conducted by the Compliance Department in coordination with Senior Management. The objective of this review is to:

- Assess whether the policy continues to satisfy regulatory expectations under the Securities Act 2007, the Financial Services (Conduct of Business) Regulations 2018, and the Financial Consumer Protection Act 2022
- Evaluate the adequacy of internal controls and measures designed to identify, manage, and mitigate conflicts of interest

- Determine whether organisational or structural changes within the Company require updates to processes, responsibilities, or reporting lines
- Review the practical implementation of the Policy across departments and identify gaps or areas for improvement

The findings from the annual review are formally documented and submitted to the Board of Directors for approval.

6.2. **Ad-Hoc Updates and Interim Reviews**

While the policy undergoes an annual formal review, Oval Ltd may revise or enhance the Policy **at any point during the year** if circumstances necessitate it. Triggering events may include:

- **Regulatory changes** introduced by the FSA, new guidelines, or amendments in Seychelles legislation
- **New products, services, or business models** that introduce additional sources of conflicts (e.g., new asset classes, new execution arrangements, or affiliate programs)
- **Changes in operational practices**, internal processes, or the Company's organisational structure
- **Technological upgrades or new systems** affecting pricing, execution, risk, or data access
- **Audit findings** or observations raised by external auditors, internal audit, or the FSA
- **Emergence of new risks or industry-wide issues**, such as execution conflict trends, cyber risks affecting data integrity, or major shifts in market practices

In such instances, Compliance will conduct an expedited assessment and implement amendments prior to the next annual review.

6.3. **Regulatory Notifications**

Where an amendment materially affects how Oval Ltd identifies, manages, or discloses conflicts of interest, the Company will **notify the Financial Services Authority (FSA) Seychelles**, in accordance with applicable regulatory requirements. Material changes may include:

- Introduction of new business lines posing significant conflicts
- Changes in execution methodology or brokerage model
- Adjustments to governance structures related to conflicts oversight
- Adoption of new remuneration frameworks

The notification process ensures transparency and reinforces the Company's commitment to regulatory accountability and consumer protection.

6.4. **Oversight by Compliance and Internal Audit**

The **Compliance Department** is responsible for ongoing monitoring of adherence to the Policy, including:

- Reviewing conflict registers
- Monitoring staff declarations and personal account dealing
- Ensuring timely disclosure of material conflicts to clients
- Advising departments on conflict-management procedures
- Conducting thematic reviews of areas with higher conflict risk

The **Internal Audit function**, operating independently, performs periodic audits to:

- Test the design and operating effectiveness of conflict management controls
- Evaluate the adequacy of segregation of duties, information barriers, and supervision
- Verify compliance with record-keeping and escalation procedures
- Assess the effectiveness of the Company's monitoring and reporting systems

Audit results and recommendations are presented to the Board and relevant committees, ensuring ongoing strengthening of the framework.

7. **Client Consent**

Upon entering into a Client Agreement with Oval Ltd, clients provide informed consent acknowledging the nature of the brokerage business and the potential for conflicts of interest to arise. This consent is essential to ensure transparency while enabling the Company to operate effectively within its regulatory framework.

7.1. **Acknowledgement of Potential Conflicts**

Clients acknowledge and understand that:

- Conflicts of interest are inherent in financial services, particularly in brokerage, execution, pricing, and partner relationships
- Such conflicts may arise between the Company and the client, between different clients, or between the Company and its business partners or service providers
- Certain conflicts cannot be fully eliminated, but Oval Ltd has established comprehensive procedures to mitigate them

This acknowledgement forms part of the client's informed understanding of the services provided.

7.2. **Understanding of the Company's Conflict-Management Framework**

By entering into an agreement with the Company, clients confirm awareness that Oval Ltd:

- Maintains detailed internal controls to prevent or reduce conflicts
- Uses segregation of duties, information barriers, monitoring, and independent oversight to protect client interests
- Continuously reviews and strengthens its practices in line with regulatory obligations and industry standards
- Applies fair treatment principles to ensure no client is disadvantaged due to conflicts involving other clients or internal interests

This recognition ensures transparency and client confidence in the Company's operational integrity.

7.3. **Consent to Continue Services Despite Known Conflicts**

Clients acknowledge that:

- In cases where a conflict has been identified and disclosed, the Company may still continue to act, provided that the conflict does not materially impair fair treatment
- Disclosure may involve informing clients about the nature, source, and extent of such conflicts

- Clients retain the right to request additional information or decline to proceed with a particular service or transaction if they choose

This consent allows Oval Ltd to operate in scenarios where full elimination of a conflict is impracticable but risks have been properly mitigated and disclosed.

7.4. **Preservation of Client Rights**

Client consent **does not**:

- Waive the Company's regulatory obligations
- Allow Oval Ltd to act unfairly or unprofessionally
- Reduce the Company's duty to treat clients honestly, fairly, and in their best interest
- Override statutory protections under the Securities Act 2007, the Conduct of Business Regulations, or the Financial Consumer Protection Act

Clients retain all rights afforded to them under Seychelles law, including the right to file complaints, request clarifications, and escalate matters to the FSA if needed.

7.5. **Ongoing Consent**

Client consent is not limited to the date of onboarding. Instead, it is **continuously applied** throughout the business relationship, and:

- Updated disclosures may be provided as new conflicts emerge
- Clients may raise concerns or objections at any time
- Consent may be withdrawn with respect to particular services, subject to the terms of the Client Agreement

This ensures that the relationship remains transparent and mutually understood at all stages.

8. **Contact Information**

For questions regarding this Summary of Conflicts of Interest Policy, clients may contact:

Compliance Department – Oval Ltd

Email: compliance@ovalmarkets.com

Registered Office: Oval Ltd. Office 4, HIS House, Providence, Mahe, Seychelles.