



CTS Cloud Trading Solutions Ltd

Conflicts of Interest Statement
September 2023



1. Introduction

CTS Cloud Trading Solutions Ltd, previously registered as Novox Capital Ltd, (the “**Company**”) is a Cyprus Investment Firm authorised and regulated by the Cyprus Securities & Exchange Commission (the “**CySEC**”), under License No.: 224/14.

The purpose of the Conflicts of Interest Statement (the “**Statement**”) is to provide an overview of the established internal procedures for preventing and/or managing situations where Conflicts of Interest may arise, with the aim of protecting the Company’s clients, the Company and its employees, associates and/or affiliates from the appearance of any impropriety. It shall also apply, to the extent necessary, on the basis of the proportionality principle.

Specifically, the Company’s internal Conflicts of Interest Policy aims to:

- **Identify and detect** any circumstances which may give rise to real or potential conflicts of interest in relation to the services rendered to its clients, where such conflicts could adversely affect the clients’ interests;
- **Implement appropriate mechanisms** and systems to prevent and manage those conflicts;
- **Mitigate the consequences** - if the mechanisms for managing conflicts of interest failed to prevent a real or potential conflict of interest from adversely affecting a client’s interests - by informing the clients concerned, on a durable medium and before acting on their behalf, of the general nature of the conflicts of interest and, where necessary, the source of those conflicts, as well as the measures taken to mitigate these risks; and
- **Maintain systems designed to prevent** actual damage to clients’ interests through any identified conflicts.

2. Identifying Conflicts of Interest

A conflict of interest is a conflict that can arise in any area of business in which CTS Cloud Trading Solutions Ltd (the “**CTS**”) provides investment and/or ancillary services and that adversely affects the interests of one or more clients.

A conflict of interest may arise:

- Between the interests of CTS or a related person and CTS’s obligations towards its clients;
- Between the competing interests of two or more clients, given that the CTS is required to meet its obligations to each client;
- When a related person or a person who is directly or indirectly linked to CTS through a controlling interest is in one of the following situations:

- CTS or that person may make a financial gain or avoid a financial loss at the client's expense;
- CTS or that person has an interest in the outcome of a service rendered to a client or a transaction performed on behalf of the client that is different from the client's interest in the outcome;
- CTS or that person has a financial or other incentive to favour the interests of another client or group of clients over interests of the client concerned;
- CTS or that person conducts the same business activity as the client;
- CTS or that person receives or will receive from a person other than the client an incentive relating to the service provided to the client, in the form of services or monetary or non-monetary benefits.

A related person may be:

- A director, partner or equivalent, manager or tied agent of CTS;
- A director, partner or equivalent, or manager of any tied agent of CTS;
- An employee of CTS, an employee of a tied agent of CTS, or any other individual whose services are made available to and controlled by CTS or by a tied agent of CTS and who is involved in the investment services and activities provided by CTS, or
- An individual who is involved in providing services to CTS or to a tied agent of CTS as part of an outsourcing arrangement under which CTS provides investment services and activities.

3. Managing Conflicts of Interest

Conflicts of interest which may arise, shall be managed and mitigated using one or more of the following approaches and principles:

Organisational Arrangements

- **Information Barriers** - CTS has established internal organisational arrangements to avoid conflicts of interests by controlling, managing or restricting, as deemed appropriate, the flow of privileged information between different areas of business or within a specific division or department (Chinese Walls);
- **Tiered Accesses** – Internal arrangements which involve the separation of premises, personnel, reporting lines, files and IT systems;
- **Confidential Information** – Confidential information is to be handled in accordance with the appropriate level of confidentiality and provision of confidential information to external parties to the extent it is required only for the service requested;
- **Separation of Functions** - CTS takes appropriate measures to ensure that two departments or business units that could generate conflicts of interest are managed and supervised by different senior staff members; and



- **Control Oversight** – CTS shall ensure that its internal control functions (Compliance, Risk etc.) are conducted independently and are supervised directly by the Board of Directors.

4. Recording Conflicts of Interest

The Company keeps an internal register, where applicable, of the types of investment services provided by CTS and for which an actual or potential conflict of interest is at considerable risk of adversely affecting the interests of one or more clients.

In such an event, the Company shall take all appropriate steps to manage and/or mitigate the identified conflict. As a last resort, only in the event CTS cannot ensure with reasonable confidence that the risks of damage to clients' interests will be prevented, the identified conflict will be disclosed to affected clients, in line with MiFID II.

In addition, in cases where there is a potential conflict of interest between related persons of CTS, the said register is also updated accordingly. Where deemed necessary, the register shall include the measures taken to manage these types of potential or actual conflicts.