

Global Conflicts of Interest Policy

[Annex 3](#)

Conflict of Interest policy summary Doc

This Conflicts of Interest Policy is applicable to the broker services provided to you by Arrow Futures (UK) Ltd. (“Arrow”)

Arrow has put in place the necessary policies and procedures to meet its obligations with regards to the identification, prevention and management of conflicts of interest. Set out below is a summary of the key information needed by clients and counterparties

Conflicts of Interest Management Policy

This Conflicts of Interest Policy is applicable to broker services provided to you by Arrow (collectively known as ‘Arrow’ or ‘we’)

Principle 8 of the FCA’s Principles for Businesses requires a firm to “manage conflicts of interest fairly, both between itself and its customers, between a customer and another client and a client and the firm and any counterparty.”

Under the Markets in Financial Instruments Directive II (“MiFID II”) a firm is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from adversely affecting the interests of its clients.

Arrow has put in place the necessary policies and procedures to meet its obligations with regards to the identification, prevention and management of conflicts of interest. Set out below is a summary of the key information needed by clients and counterparties (together “customers”) to understand the measures Arrow is taking to safeguard the interests of its customers.

Overview

Confidence in Arrow’s integrity to act on behalf of its customers is central to the relationship of trust we have with our customers. This means that when providing services, we will always act in the customer’s best interests, putting customers’ interests ahead of its own.

Scope

The requirement to take all appropriate steps to identify, prevent or manage any conflicts of interest applies to all our staff.

Arrow staff shall include directors, senior managers, employees of our company and any subsidiary companies.

Our Conflict of Interest Policy

The purpose of this Policy is to:

- identify circumstances which may give rise to a conflicts of interest which might incur a risk of damage to our client’s interests;
- summarise the arrangements we have in place to prevent or manage such identified conflicts of interest;

- explain the disclosure process we follow for any identified conflict of interest that we are unable to manage and which despite our best efforts are unable, with reasonable confidence, sufficiently protect from causing damage to a client.

What is a conflict of interest?

A conflict of interest is a conflict that arises in the course of our providing customers with a service which may benefit Arrow (or another customer for whom we are acting for) whilst potentially damaging another customer's interests.

A conflict of interest may arise in circumstances where we or a member of our employees:

- is likely to make a financial gain (or avoid a financial loss) at the expense of its customer;
- has an interest in the outcome of the service provided to its customer, which is distinct from the customer's interest in that outcome;
- has a financial or other incentive to favour the interests of one customer (or group of customers) over the interests of another;
- carries on the same business as a customer;
- receives an inducement from a third party in relation to a service provided to a client, in the form of monetary or non-monetary benefits or services;
- is in possession of information obtained in the ordinary course of its business which would benefit the individual, the Group or a customer, but such information is not publicly known.

Identification of Conflicts of Interest

We have vigorous internal policies and procedures in place which require all employees to monitor, identify and escalate any potential conflicts of interest in accordance with a formal escalation process. This continuous monitoring both by our employees and by other systems and controls enables Arrow to continually monitor for new conflicts of interest which arise in its business and to implement those measures required to further monitor and manage and control the potential impact of those conflicts on its customers.

Types of Conflicts of Interest

As a firm we do not provide a range of services which could give rise to conflicts of interest these include:

- Corporate Finance or Portfolio Management business.
- Investment Research or
- Proprietary Trading.

Consequently, the conflicts identified below are specific to Arrow and have been identified as the types of conflicts which exist based on the specific investment activities carried out by Arrow:

- those between customers with competing interests;
- those between customers and Arrow where their respective interests in a particular outcome may be different;
- those between the personal interests of staff of Arrow and the interests of Arrow or its customers where those interests may be different;

- those that might arise as a result of being part of a group; whereby the respective interests of individual business units within the Arrow Shipping group of companies may be different;
- those between the commercial interests of third party service providers used by Arrow and the interests of Arrow or its customers where those interests may be different.

Register of Conflicts of Interest

We maintain a Conflicts of Interest Register which details the specific conflicts identified within each area of the business.

Management and Prevention of Conflicts of Interest

We have approved numerous policies and procedures to prevent and manage those conflicts of interest recognised within its business. The adequacy of these controls are assessed periodically, on at least an annual basis, and are subject to the Arrow's normal monitoring review.

These policies and processes include:

a) Integrity and Standards of Conduct

Arrow insists that in its dealings with customers its staff must use the highest

standard of integrity in their actions at all times. All employees are required to complete an induction programme which highlights an individual's responsibility to act honestly.

This includes training to ensure they do not:

- i) Misuse their professional position to procure a personal benefit for themselves or any other person, or to cause detriment to the Group and/or its customers;
- ii) Participate in any activity or employment which may compete with or conflict with Arrow's interests or those of its customers (outside business interests)

All staff are subject to ongoing training and monitoring on integrity and conduct. Staff are expected to follow standards of conduct such as the FCA Statements of Principle and Code of Practice for Approved Persons as well as internal Codes of Conduct.

b) Order Handling

Fair treatment of customers

In order to prohibit the preferential treatment of certain customers and to ensure customers receive as fair treatment as possible, all orders are required to be handled in accordance with our Order Execution Policy.

This requires staff to take all sufficient steps to achieve the best overall trading result for customers; to carry out comparable client orders sequentially and promptly and to exercise consistent standards across all markets, customers and financial instruments.

Fair and orderly market

In furtherance of ensuring a fair and orderly dealing environment within the market, and to prevent employees or customers from engaging in market abuse, all our staff are subject to ongoing market abuse training and surveillance programmes.

Such controls exist to ensure all business is conducted in accordance with the provisions contained within the Criminal Justice Act 1993 and Market Abuse Regulation.

c) Confidentiality

Personal Account Dealing

Arrow has a policy that no employee is permitted to personally deal in any product or service that is used by Arrow.

Customer Confidentiality

All staff are required to adhere to the internal confidentiality rules contained within our Compliance policies which require staff to maintain the anonymity and confidentiality of its customers at all times.

Outsourcing

To ensure any third party or service provider of Arrow does not use information obtained in the course of the arrangement to obtain a commercial advantage at the detriment of Arrow or a customer, all outsourcing arrangements are required to have agreements in place which meet the FCA SYSC 8 requirements.

d) Incentives

Inducements

All staff are required to act in accordance with the Gift and Entertainment Policy. This Policy provides clear guidance that all employees are not allowed to accept gifts, entertainment or any other inducement from any person which might benefit one customer at the expense of another.

Disclosure Obligations

As a last resort, where there is no other means of managing the conflict or where the measures in place do not, in the view of Arrow, sufficiently protect the interests of customers, the conflict of interest will be disclosed to customers to enable an informed decision to be made by the customer as to whether they wish to continue doing business with Arrow in that particular situation. Such disclosures will be made to clients prior to conducting business on their behalf.

Declining to Act

Finally, where TP ICAP considers it is not able to manage the conflict of interest in any other way it may decline to act for a customer.