

# POLICY FOR THE MANAGEMENT OF CONFLICTS OF INTEREST

This Policy for the Management of Conflicts of Interest has been updated as at February 2021 and shall remain effective until a more recent version is released. Safecap Investments Ltd reserves the right to amend or supplement this policy at any time. This Policy does not replace our Investment Services Agreement (Terms and Conditions of Trading) which we ask that you read carefully before you enter into any trading. The prevailing version of this Policy is always available on our website [www.opcmarkets.com](http://www.opcmarkets.com).

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This Policy sets out how we seek to manage conflicts of interest that may arise when we undertake investment services. Treating clients fairly is central to our culture and ethos. We are committed to be acting honestly, fairly and in accordance with the clients' best interests. If any terms of this Policy are unclear to you, you should seek independent legal advice. Please contact us for any questions you may have by using the [Online Contact Form](#).

Safecap Investments Ltd ("Safecap") is a regulated investment services firm, authorized in the conduct of its activities by the Cyprus Securities and Exchange Commission ("CySEC") under license number 092/08. Safecap is also authorized by the Financial Sector Conduct Authority ("FSCA") in South Africa as a Financial Services Provider under license number 43906. Safecap is located at 148 Strovolos Avenue, 2048 Strovolos, P.O.Box 28132 Nicosia, Cyprus.

[OPCMarkets.com](#) is a global brand owned by Finalto (IOM) Limited ("Finalto"), Safecap's parent company. Safecap and Finalto are subsidiaries of Playtech Plc, a company traded on the London Stock Exchange's Main Market and a constituent of the FTSE 250 index. Safecap has the sole and exclusive use of the domain '[www.opcmarkets.com](#)' worldwide.



**Risk Warning:** Contracts for Difference are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Please read the full [Risk Disclosure Statement](#) which gives you a more detailed explanation of the risks involved.

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## 1. INTRODUCTION

### Scope

This Policy for the Management of Conflicts of Interest (the "Policy") provides an overview of how Safecap Investments Limited ("Safecap", "we" or "us") seeks to manage potential conflicts of interest that may arise when offering investment services to clients. This Policy does not form part of any legal agreement between Safecap and any client or prospective client.

### Our business activities

We consider essential that we identify and manage conflicts of interest as they relate to our investment services we carry out at any time.

Safecap's business relates to enabling primarily retail clients to trade Contracts for Difference ("CFDs") via our online trading platform OPCMarkets.com. We effectively receive, transmit and execute clients' orders in CFDs.

We act at all times as Principal (counterparty) to the trading of our clients.

We do not offer investment advice or portfolio management services. Our limited investment research is at the date hereof undertaken by 3<sup>rd</sup> parties and is not addressed to any individual client or his / her investment objectives.

## 2. OUR COMMITMENT FOR TREATING CUSTOMERS FAIRLY

Treating Customers Fairly is central to our corporate culture and ethos.

We have a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them. Our framework for Treating Customers Fairly is premised on six key principles as follows:

- i) Clients should be confident that treating them fairly is central to our corporate culture and ethos;
- ii) We market products and services to our retail clients having regard to whether they are appropriate for them, based on the targeted clients' knowledge and experience;
- iii) We provide our clients with clear, fair, not misleading and not aggressive information at all times: before, during and after their trading with us;
- iv) We do not offer clients investment advice. We communicate non-client specific market information and "colour" from sources which we reasonably believe, acting diligently, are credible;
- v) We provide high levels of client service and experience as measured by: best possible prices, speed of execution, quality of our knowledge on client enquiries. We do not promise what we cannot deliver. We are not aggressive or misleading in our dealings with clients and do not permit business or other introducers to be so either;
- vi) We are transparent on the basis that clients deal with us, especially where clients trade with us on a principal to principal basis. We advise clients of conflicts and the Over the Counter ("OTC") and non-transferability nature of our CFD product suite.

## 3. OUR CODE OF CONDUCT

Safecap and its holding company Markets Limited (collective the "Group") have in place a Code of Conduct applicable for all employees of the Group. The Code of Conduct deals with how Conflicts of Interest are managed internally and the processes, procedures adopted by the Group to this end. In relation to conflicts of interest, key points to note from the Code of Conduct indicatively include:

- i) All employees are bound by the terms of the Code of Conduct and have to annually acknowledge their continuous adherence to this Code of Conduct
- ii) All employees should at all time be in full compliance to internal policies and procedures
- iii) Employees are advised through the Code of Conduct how to identify conflicts of interest and how to escalate these to their line management and the Compliance Department
- iv) All employees are bound by professional secrecy. Confidential information is only to be shared if essential for performing their specific duties and responsibilities
- v) All employee trading or participation in businesses that compete with the Group need to receive prior clearance from the Compliance Department in line with Safecap's Personal Account Trading policy
- vi) Non Group related executive or non-executive roles are only possible with prior permission, unless this relates to social causes
- vii) Employees are prohibited from personally trading using the knowledge gained from inside/non - public information
- viii) The ultimate parent company's Playtech Plc regulations on trading (including trading during closed or sensitive periods)

and safekeeping of confidential information also apply on Safecap's employees fully at all times

#### 4. THE LEGAL AND REGULATORY FRAMEWORK UNDER WHICH THIS POLICY IS ISSUED AND IMPLEMENTED

This Policy is issued pursuant to, and in compliance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID II"), the Law of the Republic of Cyprus No 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which transposed MiFID II into Cyprus legislation and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus Law No 144(I)/2007 to the extent it remains applicable after coming into force of MiFID II.

Furthermore, this Policy complies with Section 2 of the Questions and Answers Document of the European Securities and Markets Authority ("ESMA") issued on 11 October 2016 with reference ESMA/2016/1454 with respect to the provision of CFDs and other speculative products to retail investors. Section 2 of this Document relates to "Conflicts of interest arising from business models that may be adopted by firms offering speculative products to retail investors".

In this Policy, we collectively refer to all the above legislations, regulations and guidelines as "Regulations".

#### 5. IDENTIFICATION AND NATURE OF POTENTIAL CONFLICTS OF INTEREST AND THEIR SOURCES AND OUR APPROACH TO MANAGING THESE

Conflicts of interest are unavoidable in financial institutions such as Safecap with a diverse range of activities, including those trading as Principal with their clients. Safecap seeks to manage conflicts of interest fairly at all times.

Safecap hereby identifies and discloses a range of 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. Such a conflict of interest may arise if Safecap or any person directly or indirectly employed, remunerated or controlled by Safecap and its affiliates, or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client.

We also map out herebelow our approach to managing these indicative areas of conflicts of interest:

Circumstances of potential conflict of interest*	Our approach to managing these (indicative actions)
<p>When a client enters into any order to Buy or Sell a Contract for Difference ("CFD") on our trading platforms, the client trades with us as his / her counterparty. We are the Principal to each trade that the client enters.</p> <p>This means that:</p> <ul style="list-style-type: none"> <li>The client may only close each position he trades with us.</li> <li>The client's positions are not transferable to any other regulated investment firm. This is a major difference to when clients trade for example in Shares. In such cases, clients can move their holding in Shares to be traded through another investment firm – broker. In CFDs, clients can only trade / close their position with the investment firm – broker they initially opened their position with.</li> <li>If clients make profits on their trading, we lose. If the clients register losses on their trading, this means we profit.</li> </ul>	<ul style="list-style-type: none"> <li>We have introduced an <b>Order Execution Policy</b> that sets out our obligations in delivering Best Execution to our clients.</li> <li>Best Execution is the process by which Safecap seeks to obtain the best possible result when executing client orders.</li> <li>Generally, Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise.</li> <li>Prices quoted for CFDs are based on the published prices of underlying instruments on the regulated exchanges where such instruments are regularly traded or, with respect to Foreign Exchange, based on the aggregation of prices received from global investment banks and other liquidity providers</li> <li>Commencing 2017, we regularly advise the Cyprus Securities and Exchange Commission as our home regulatory authority of the number of winning and losing clients.</li> <li>We disclose our Spreads and charges on our trading platform OPCMarkets.com</li> <li>Our marketing communication is developed on the basis of being fair, clear and not misleading to clients and is issued following approval by the Compliance department.</li> </ul>

Circumstances of potential conflict of interest*	Our approach to managing these (indicative actions)
<p>The settings of the trading platform may be at non symmetrical parameters. A key area relates to trading slippage. Slippage refers to the difference a client expects to pay for a trade and the actual price at which the trade is executed. Slippage occurs because there is a slight time delay between the client entering the trade and the time the broker receives the order. During this time delay, the price may have changed. Slippage can be much higher in fast-moving, volatile markets. It can either work in favor of or against the client. Conflicts may arise if the application of slippage parameters is not symmetrical. That is the broker enables a higher negative slippage for the client whilst limiting the client's potential profit in positive slippage.</p>	<ul style="list-style-type: none"> <li>• All trading platform parameters are symmetrical.</li> <li>• There is also full disclosure of the risk of negative slippage as well as positive slippage in the <a href="#">Order Execution Policy</a> and in the Terms &amp; Conditions.</li> <li>• We have monitoring procedures in place in order to ensure that the slippage parameters are indeed symmetrical.</li> </ul>
<p>Safecap, its employees, 3<sup>rd</sup> parties acting on behalf of or on the basis of specific agreements with Safecap (such as introducers, websites and social media) may have an interest in maximizing trading volumes in order to increase dealing revenues or their variable remuneration pay. This may be inconsistent with the need for client's to trade prudently or for minimizing clients' transaction costs. Safecap employees may also receive bonuses or other form of variable pay that links to the trading performance of clients.</p>	<ul style="list-style-type: none"> <li>• Employees who receive any form of variable pay (including performance related pay) are subject to vesting periods with malus and claw back provisions.</li> <li>• Incidents of conflicts of interest or any other compliance breach lead to suspension of unvested rights and / or clawback of any awards and / or termination of employment.</li> <li>• Awards are structured so as to have regard to long term client satisfaction as opposed to short term Company gains, recognizing that our long term success is premised on maintaining satisfied clients over the long term.</li> <li>• We do not engage with third party introducers which operate call centres.</li> <li>• Partners, including affiliates, intermediary service providers and, business introducers may receive volume-based remuneration. We limit the types of remuneration which can be received to types which do not generate any additional conflict of interest, thus minimizing any additional conflict which may negatively impair a client. For example, profit sharing arrangements are prohibited in relation to clients' activity.</li> <li>• Any fees paid to a third party are part of the fees already charged by a client therefore, a client will not incur any further costs due to such remuneration arrangements.</li> <li>• Any payment to a third party is reviewed and approved by a member of the Finance Department, while a dedicated member of the Compliance Department monitors on an on-going basis the remuneration arrangements with third parties.</li> <li>• Any websites, affiliates or other online introducers do not have any role in our assessment of the clients' knowledge and experience for onboarding purposes, such decision to onboard being at the entire discretion of Safecap.</li> <li>• Local registrations with regulatory authorities have to be adhered to by affiliates where appropriate.</li> </ul>

Circumstances of potential conflict of interest*	Our approach to managing these (indicative actions)
<p>Where investment research or market information is provided this does not take account of the circumstances and investment objectives of individual clients. Safecap or legal and natural persons affiliated with it may have a position or trade in financial instruments that may be covered by such investment research.</p>	<ul style="list-style-type: none"> <li>We do not offer any form of investment advice and our disclaimers make this fact explicitly clear.</li> <li>Market research is performed on behalf of Safecap by 3<sup>rd</sup> parties who are segregated from our Dealing, Sales and Retention employees.</li> <li>We remunerate such 3<sup>rd</sup> parties on the basis of fixed fee arrangements which are not related to the trading generated from our clients.</li> <li>Other than being a Principal to clients' trading or hedging for the market risk emanating for this trading, neither Safecap or its holding company or affiliates trade in any form of financial instrument for the purpose of short term financial gains.</li> </ul>
<p>Employees or business associates may have a personal holding in a security of a company and where such employees or business associates are involved in executing clients' orders, and – in breach of internal policy – encourage or push the client to trade in such a security.</p>	<ul style="list-style-type: none"> <li>Our Code of Conduct states clearly that we do not engage in investment advice and stipulate the consequences for any breach of this requirement.</li> <li>We monitor client communications to ensure that our staff do not engage in any form of investment advice.</li> <li>All employees are bound by our Personal Account Trading Policy as in force and effect from time to time.</li> <li>Other indicative points as set out in the Code of Conduct extracts of which are set out above.</li> </ul>
<p>The Company may act as a manufacturer and/or distributor of its products, defining its target market, and therefore has an interest in maximizing its trading volumes by selling its products and services to a large variety of persons. Such incentive may be conflicting with the Company's obligation to assess the appropriateness of each prospective client. Such appropriateness assessment will determine whether a client is appropriate to use the Company's services and is conducted at the onboarding stage.</p>	<ul style="list-style-type: none"> <li>The scoring methodology for the assessment of appropriateness was conducted following consultation meetings with all stakeholders within the Company under the direction of the Compliance Department so as for us to be in a position to reasonably determine whether complex Financial Instruments such as the CFDs are appropriate for the client to invest in.</li> <li>Checks are performed on an on-going basis to ensure the system reflects the correct scoring and applies all rules set by the Company.</li> <li>The Compliance Department performs sample reviews for each of the Company's Appropriateness categories (Experienced, Less Experienced, Inexperienced) to evaluate whether the client' categorization following the appropriateness scoring is in line with the latest scoring rules of the Company.</li> <li>The assessment is performed in an automated way, thus Safecap and its employees are not able to manually interfere in the process.</li> <li>On an ongoing basis and at least annually the Company performs an analysis and review of its appropriateness assessment and scoring methodology to determine its adequacy.</li> </ul>

\*Note that the above are only indicative areas of potential conflicts of interest.

## 6. DISCLOSURE OF CONFLICTS OF INTEREST

In the case where the measures put in place are not sufficient to avoid or manage a conflict of interest relating to a client, Safecap will disclose the conflict of interest before undertaking further business with the client.