

Conflicts of Interest Policy and Summary of Ethical Standards

Introduction

Reyker Securities plc group (Reyker) is a multi-service financial institution that is a full member of the London Stock Exchange and regulated by the Financial Conduct Authority (FCA), to whom we report monthly, quarterly and annually. We publish various policies on our website, including our dealing policy and our order execution policy, along with our General Terms and Conditions of Business (T&Cs), and you should consider these policies and T&Cs together. The current published policies on our website always apply.

This policy addresses how we deal with managing potential conflicts of interest, and also provides some information on how we seek to achieve high standards of ethics and integrity. The policy does not create any third party rights or duties and does not form part of any contract between Reyker and any other party. We may alter it at any time without notice.

As a professional firm of high integrity Reyker abides by the eleven FCA Principles for Business. You can find all of the Principles on-line at any time in the current edition of the FCA handbook, which is updated regularly. Principle 8 deals with conflicts of interest and states:

“A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client”.

What we do

Reyker deals with different types of clients, including institutional, professional and retail investors, and acts as a Receiver and Transmitter of orders in relation to financial instruments and securities, such as shares, derivatives, bonds and units. We are also a regulated safe custodian holding and controlling client money and client assets, and we are a full service settlement venue with membership of CREST /Euroclear. In addition, we operate a regulated Depository.

We provide a wide range of stockbroking, settlement, transactional and custody services, not limited to the UK markets, and we have position taking and market making permissions. Reyker also acts a discretionary manager for investments, funds, SIPPS and ISAs, and may provide advice to retail clients and others. Reyker also promotes its own branded Discretionary Investment Funds, Structured Products, AIM portfolios and various other investments from time to time.

Recognition of conflicts

Reyker recognises that conflicts may arise from different streams of business, regulated activities and from various client types, and we seek to manage and monitor potential or actual conflicts of interest in a number of ways. This published policy

summarises a list of criteria which help to identify the potential conflicts of interest which may exist for Reyker.

Identifying the Conflicts

When identifying the types of conflict of interest which may arise, we take into account a number of matters, including whether Reyker or an employee:

- is likely to make a financial gain or avoid a financial loss at the expense of a client
- has an interest in the outcome of a service to the client (other than in the normal course of our commercial business or of a transaction carried out on behalf of the client which is not in conformance with the client's desired outcome
- has a financial or other incentive to use one service or product to subsidise another business stream or client
- has a financial or other incentive to favour the interest of another client or entity
- could be in a position where our ability to act in a client's best interests is potentially affected by another matter such as competing client interests or objectives.
- has connections with a client or organisation that could give rise to conflicts.

Other conflicts might arise where we:

- provide services to multiple clients where it is important to maintain confidentiality between them, or between their activities and our own, (which we do via ethical walls and careful allocation of personnel)
- identify at the timing of receipt of instructions, applications, securities or funds creates potential allocation issues, for example where supply of an investment product is limited, or where there is a limited market, or where there is significant price volatility, or where there is very limited liquidity
- receive an instruction we receive from a third party, such as a fund manager for example, appears at to be at risk of being potentially contrary to underlying client best interests, the principle of treating clients fairly or lacks sufficient disclosure to underlying clients for them to be (in our opinion) sufficiently or fairly informed
- identify holdings which are held jointly between parties and those parties disagree as to how the holdings should be treated or disposed of, or where an adviser or client disputes the actions of a fund manager or trustee
- Carry on the same business as the client.

Methods of Managing Conflicts

Reyker seeks actively to manage such conflicts of interest in order to minimise any material risk of disadvantage to our clients and we always try to deal with conflicts fairly. Management of these risks is achieved by one or more of the following (in no particular order):

1. Integrity: promoting and encouraging a culture of integrity in all staff at all levels
2. Oversight: having a senior management oversight function that is required to adopt a rigorous compliance approach that supervises and checks operational management
3. Training: ensuring that staff and management understand the principles and practice of operating with integrity and following the practical enforcement of ethical walls day to day. We have a comprehensive Training and Competence programme and in-house training as well as external training that is reviewed at least annually by senior management. We may accept training or seminars from providers where it is applicable to the financial products and services we offer to our clients and supports our employees continuing professional development
4. Ethical walls: where information held by a person in one part of the business is withheld from another, or is not permitted to be used by (or in some cases disclosed to) other people in another part of the business
5. Systems: building technology driven privacy controls into databases and systems that help to protect confidentiality
6. Client Data Security: we limit access to key risk areas, such as our safe custody facilities and VAULT, and our dealing facilities. Access to systems and workstations is controlled. Our premises are secure and client areas are separated from working areas
7. Remuneration: removal of direct remuneration links for employees such that they are not incentivised to breach confidences or ethical walls for any reason, coupled with the ability to claw back bonuses and discretionary awards if employees do not abide by our ethical rules
8. Employees not contractors: conflicts arise in some firms where what appear to be staff, are in fact self-employed, or contractors or are remunerated largely or mainly through commission. When doing this for external consultancy purposes, we put in place robust contractual arrangements and oversight.
9. Avoidance of third party services: We do not sub-contract custody, stockbroking or compliance for example, to third parties. We therefore have oversight of key risk areas within Reyker
10. HR policies: we have explicit human resources policies that reinforce our rules on ethical behaviour, honesty and so on. For example, for every person we employ we undertake credit checks (for probity purposes), prior employment and academic reference checks, and criminal record checks. In addition, senior staff are

registered with the FCA

11. Compliance: we employ an in-house compliance manager with regulatory experience and have two regulated “controlled function” compliance officers as part of the senior management team
 12. Legal: we employ in-house general counsel who is a practicing solicitor and exercises senior management oversight in appropriate areas
 13. Professional staff: we employ professional staff in key roles who are constrained and regulated by the ethical rules of professional bodies
 14. Staff personal dealing: policies and procedures are in place to monitor employees’ personal account dealing (at all levels, including directors), which is routinely checked by compliance and senior management
 15. Restrictions on very senior staff: shareholder directors have no access to client money on an individual basis, client assets or paying away facilities and are prohibited from overriding proper departmental instructions and ethical walls in these areas. This is a key factor in demonstrating independence and integrity
 16. Managerial collective: we operate as a “managerial collective”, with shared responsibility among managers, rather than having a potentially dominant chief executive. This further strengthens and supports integrity controls throughout the business
 17. Integrated management: our managers and Directors at all levels work alongside our staff; not in separate offices. This fosters better communication and supervision, with the intention of leading to better outcomes for clients
 18. Trade execution: our dealing and order execution policies are designed to treat deal instructions and trade allocations in a consistent manner regardless of types and categories of clients. We action deals in order of receipt and we action funded investment applications in order of receipt.
- We never front-run any clients. Details of relevant policies are available on our website: <https://www.reyker.com/regulatory-policies/>
19. Inducements – employees must not solicit or accept any inducements which may conflict with our obligations to clients and they must disclose all gifts, entertaining and similar things to compliance for approval before they may be accepted. Strict anti-bribery and corruption policies (“ABC”) are applied and whilst we never wish to offend clients, we discourage gifts and any entertaining that does not have a direct work relevance
 20. Use of investment products – extra measures are put in place to ensure that any selection of investments which are either under Reyker’s own brand or issued/managed by one of our clients, are selected in the best interest of the clients by the discretionary management team
 21. We operate an Investment Committee which checks and challenges investment strategy
 22. We operate a Risk Committee which ensures that all financial promotions are approved in line with FCA COBS rules, mis-selling risks can be mitigated, Treating Clients Fairly (for example with plain English descriptions) and operational or business risks are properly reviewed for all investment products that we issue
 23. External audit: our statutory and regulatory requirement is to have an external audit annually, after the end of each year. We go far beyond this in that we engage our independent auditors to audit our regulatory returns each quarter before we submit them to the FCA, as well as conducting an annual statutory audit. This means that scrutiny is more frequent and much closer to transactional events happening, than in most firms. We also have an “open door” policy with our auditors meaning they are welcome to inspect us at any time.
 24. Corporate and retail clients’ complaints are dealt with by our legal and compliance department and are conducted in a totally impartial and independent manner and in accordance with FCA DISP rules.



Disclosure

In the unlikely event that Reyker is unable to manage or avoid a conflict of interest; we will disclose and discuss the conflict and how we propose to address it prior to conducting further business with the relevant clients.

Conflicts of Interest Record Keeping

Reyker keeps a record of any activities which may give rise to a conflict of interest. This record is held by compliance department. Compliance and management take appropriate steps to address any issues and these steps are recorded too.

As noted above Reyker reserves the right to amend any aspect of this policy without notice at any time for any reason and to apply it in the context of regulatory rules, legislation and our various policies and procedures governing or affecting relationships with clients and third parties.

For Our Reference:
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