

# CARAVELLE INVESTMENTS



# CONFLICTS OF INTERESTS POLICY

## 1. Introduction

Caravelle Investments (hereafter “the Company”) is an Investment Dealer (Full Service Dealer, Excluding Underwriting). The Company is incorporated in the Republic of Mauritius and is authorized and regulated by the Financial Services Commission (hereafter “FSC”) with License Number GB21200151. Company’s registered address is at 3 Emerald Park, Trianon, Quatre Bornes 72257, Mauritius

## 2. Purpose

The Company is required to establish, implement and maintain a policy on conflicts of interest and provide information regarding the adequate managing of any conflicts of interest between itself, including its managers and employees, tied agents or other relevant persons, as well as any person directly or indirectly linked to them by control, and their clients or between one client and another that arise in the course of providing any in-vestment and ancillary services.

The conflicts of interest policy is applicable to all clients, including retail clients, professional clients and eligible counter parties.

## 3. Identification of Potential Conflicts of Interest

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Company takes into account, by way of minimum criteria, whether the Company or a relevant person, or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- a) the Company or a relevant person, or a person directly or indirectly linked by control to the Company is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b) the Company or a relevant person, or a person directly or indirectly linked by control to the Company has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;

- c) the Company or a relevant person, or a person directly or indirectly linked by control to the Company has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- d) the Company or a relevant person, or a person directly or indirectly linked to the Company carries on the same business as the client;
- e) the Company or a relevant person, or a person directly or indirectly linked by control to the Company receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

Relevant person in relation to the Company means any of the following persons:

- a) a director, partner or equivalent, manager or tied agent of the firm;
- b) a director, partner or equivalent, or manager of any tied agent of the firm;
- c) an employee of the firm or of a tied agent of the firm, as well as any other natural person whose services are placed at the disposal and under the control of the firm or a tied agent of the firm and who is involved in the provision by the firm of investment services and activities;
- d) a natural person who is directly involved in the provision of services to the investment firm or to its tied agent under an outsourcing arrangement for the purpose of the provision by the firm of investment services and activities

If a conflict of interest arises, the affected parties can be the Company, its employees or its clients. More specifically, a conflict of interest may arise between the following parties:

- (a) Between the client and the Company.
- (b) Between two clients of the Company.
- (c) Between the Company and a relevant person of the Company.
- (d) Between a client of the Company and a relevant person of the Company.

- (e) Between Company's Departments.

#### 4. Reporting Conflicts of Interest

In the case of identification of a possible conflict of interest, a staff member must refer it initially to his immediate supervisor to assist in the assessment of a material risk of damage and inform Compliance Department together with full details to allow regulatory scrutiny, of:

- (i) Corrective and preventive actions;
- (ii) How these actions were considered appropriate;
- (iii) Any conditions imposed; and
- (iv) Whether there are still ongoing conflicts, how these are being managed and advised to the client.

#### 5. Procedures and Measures for the Management of Conflicts of Interest

The Company maintains a compliance department that is independent within the Company, and it is within the duties of the Compliance Department to monitor the Company's Conflicts Policy and practices for any possible violation, as well as for managing any possible conflicts of interest. The Company has established suitable and adequate internal procedures for minimizing any potential conflicts of interest which include the following:

##### **(A) Independence**

The following measures have been adopted by the Company for ensuring the requisite degree of independence appropriate to the size and activities of the Company:

- (i) Measures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest (i.e. by establishing a Chinese wall):

- The Company has constructed adequate Chinese Walls, in accordance with the legal requirements between its departments and has established clear lines of responsibility, in order to avoid the flow of information held by a person in the course of carrying out a part of its business to be withheld from or used by persons who are in the process of carrying out another part of its business.
  - In particular, physical barriers have been established so that the flow of information is restricted between employees, access has been limited in relation to information and documentation and communication has been restricted between certain employees during the course of carrying out their parts of business.
- (ii) Separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- (iii) Segregation of duties and supervision for persons engaged in different business activities including procedures for ensuring appropriate communication between business units.
- (iv) Removal of any direct link between the remuneration of relevant persons principally engaged with one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.
- (v) Dealing room employees do not relate their remuneration with clients' performance.
- (vi) Proper controls to ensure that no improper inducements are given or received, and proper inducements are disclosed appropriately.
- (vii) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities. Additionally, the person who decides or influences an individual's bonus may exert undue influence over that individual's integrity of judgment.
- (viii) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities such as reception and transmission of clients' orders and tasks such as portfolio decision making and calculating performance.
- (ix) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.

**(B) Disclosure of conflict of interest**

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carry out a transaction or provide an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made in sufficient time and in a durable mean and shall include sufficient detail, taking into account the nature of the client, source of conflicts of interest, the risks to the client to enable him to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises. Where the Company will consider that a disclosure is not sufficient to manage a conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict. Clients will be given the opportunity to decide on whether or not to continue their relationship with us with no unreasonable obstacles.

**(C) Record keeping**

In accordance with the requirements of FCA the Company keeps and regularly updates a record of the kinds of investment and ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen, or, in the case of an ongoing service or activity, may arise.

**(D) Responsibilities**

The Company's Directors and the Compliance Officer are responsible for clearly allocating responsibility and delegating authority to accountable individuals to ensure that those involved are aware of their involvement.

The Company's employees are required to identify new conflicts of interest arising out of the activities/services that they perform and engage in the process to notify line management upon identifying any potential conflict.

The responsible person for the day to day management of the implementation of this Policy is the Compliance Officer.

## 6. Amendment/Review

The Company reserves the right to amend the current Policy at its discretion and at any time it considers suitable and appropriate and that shall be at least annually.