

**CONFLICT OF INTERESTS POLICY (Ref. LUX-POL-004)**



Version	Approval Date	Responsible Areas	Approval
8.1	22/06/2023	Compliance	Board of Directors

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## 1. INTRODUCTION

This document contains the Conflict of Interests Policy (henceforth, the “Policy”) of Andbank Luxembourg. (henceforth, the “Bank”) that aims to establish the principles to be adhered by the Bank to prevent possible Conflicts of Interests that may arise in the provision of investment services from being detrimental to its customers’ interests.

In particular, this Policy:

- Identifies the circumstances that do or may give rise to a Conflict of Interests involving a risk of damage to the interests of one or more Clients.
- Specifies the procedures and measures that defined in order to manage Conflicts of Interests.
- Sets the rules for keeping records of investment services in which a Conflict of Interests has arisen, or may arise in the case of ongoing services.

The Bank shall provide all its Clients, prior to the commencement of the provision of any investment services, with the summarized version of this Policy. The Bank shall also inform the Clients of their right to request more information about this Policy.

## 2. LEGAL FRAMEWORK

- Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions
- Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on Markets In Financial Instruments
- Commission Directive 2006/73/EC of 10 August 2006, implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.
- Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards recordkeeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC
- 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 (recast)
- EBA Guidelines on Internal Governance under Directive 2013/36/EU

## 3. DEFINITIONS

For the purposes of this Policy, the terms below are defined as follows:

- **Conflict of Interests:** a situation in which, the interests of the Bank, its directors or employees may be contradictory, differ from, or prejudice the interests of its clients.

- **Interest:** the source of a benefit of any kind, whether material, immaterial, financial, personal, commercial or professional.
- **Client:** the definition of “Clients” includes:
  - Existing Clients of the bank
  - Potential Clients of the bank (where the bank is actively seeking to enter a business relationship)
  - Past Clients for which fiduciary or other duties remain in place
- **Bank Vendor Relationship:** includes any relationship that the Bank has with a service provider, including but not limited to entities providing outsourcing facilities to the Bank, where services are provided to the Bank.
- **Relevant persons:** for the purpose of this Policy, this term applies to any of the following:
  - Director, partner or equivalent, manager or appointed representative (or where applicable, tied agent) of the Bank.
  - An employee of the Bank, or of an appointed representative (or where applicable, tied agent) of the Bank.
  - Natural person who is involved in the provision of services to the Bank or its appointed representative (or where applicable, tied agent) under an outsourcing arrangement for the purpose of the provision of investment services and activities by the Bank.

#### 4. APPLICABILITY

This policy applies to all divisions of the Bank as well as to all Relevant Persons described in Section 2 “DEFINITIONS”.

#### 5. SITUATIONS POTENTIALLY LEADING TO A CONFLICT OF INTERESTS

A Conflict of Interests situation could exist if one of the following situations arises:

- The Bank could make a financial gain or avoid a loss at a Client’s expense.
- The Bank has an interest in the outcome of a service provided to a Client or on the trades executed on a client’s behalf, and this interest is different from that of the client’s.
- The Bank has interests, financial or other, to prioritize the interests of a Client or Group of Clients over the interests of another client or Group of Clients.
- The Bank’s professional activity is identical to that of the Client. The Bank receives or will receive, from a third party other than the Client, a benefit related to the service provided to the Client.

Related to the situations described above, the Bank is firmly engaged with always acting with the utmost honesty, impartiality and professionalism in the best interest of its Clients.

#### 6. PREVENTING CONFLICTS OS INTERESTS

The Bank is required to take all necessary steps to identify, prevent and eventually manage Conflicts of Interests that could result in a risk of damage to a Client’s/Bank’s interests.

In order to prevent the rise of Conflict of Interests situations and mitigate associated risks, the Bank implements the necessary organizational measures and controls, such as:

- The prevention and control of the exchange of information between persons/or business areas, engaged activities that may be at a risk of a Conflict of Interest, where such exchanges could be detrimental to the interests of one or more Clients.
- The supervision of those persons, including those of the Bank, whose main duties consist in carrying out activities or services on behalf of customers and whose interests may come in conflict with those of the Client.
- The implementation of remuneration schemes to ensure the objectivity and independence of the services provided in order to avoid conflicts of interest between the Bank and its Clients.
- The adoption of measures to prevent and limit the influence over a person provides investment services that could result detrimental or inappropriate for the Client.
- The adoption of measures to ensure that the investment services provided to a Client are uninfluenced, unbiased, in the Client's best interest, and suitable to the Client's profile.
- The obligation imposed on all employees to report to the Bank's Compliance department any incentive or gift received with a value superior to € 250.

In case of a potential Conflict of Interests, business relationships of the Bank with Related Parties are subject to evaluation by the board of directors.

## 7. MANAGEMENT OF CONFLICT OF INTERESTS SITUATIONS

When a Conflict of Interests situation arises or may likely arise, the Bank may act by the principles listed below:

- Each employee is required to observe and recognize situations in which a Conflict of Interests may arise and disclose it -in the shortest time possible and before any decision is taken- to the Compliance Department and the Senior Manager of the area where the Conflict of Interests may occur or has occurred.
- The Compliance Department and the Senior Manager involved shall jointly agree on the necessary measures for the management of the Conflict of Interests, always giving priority to the Client's interests over those of the Bank.
- The Compliance Department shall inform the management of the Bank of the potential or existing Conflict of Interests, along with a clear description of the measures adopted in order to safeguard the measures put in place in order to safeguard the interests of the concerned Client.
- Members of the Management or Board of Directors, subject to a Conflict of Interests, are required to report about the situation to the pertinent Management or Board of Directors member, and shall abstain from participating in the decision-making processes where they may be subject to a Conflict of Interests.
- The Compliance Department shall disclose to the relevant Client the Conflicts of Interests detected which cannot be avoided or significantly reduced. This communication shall explain the measures put in place to safeguard the interests of the Client in this regard, and must be done via a durable medium and in a comprehensive, accurate and understandable manner.
- Any material change in the significant transactions carried out by related parties shall be brought to the attention of the Board of Directors as soon as possible.

- In case of non-compliance with this Policy, the case will be treated by the Board of Directors that will (i) evaluate the circumstances, (ii) will confirm or not the transaction, (iii) apply any action whether disciplinary or not.

## **8. HANDLING OF INDUCEMENTS**

The set of measures adopted by the Bank for handling the case of Inducements are treated separately in the "Inducements Policy (Ref.: LUX-POL-011)".

## **9. CONFLICT OF INTERESTS RECORD KEEPING**

The Compliance Department will maintain and update a register with the information needed to identify possible Conflict of Interest situations that have occurred, as well as information on measures taken to mitigate the effects of potential conflicts or those that have occurred.

## **10. POLICY APPROVAL AND REVIEW**

The policy has been approved by the Board of Directors of ANDBANK LUXEMBOURG.

Any changes to this policy will require the approval of the Board of Directors of ANDBANK LUXEMBOURG

The Bank shall conduct a review, on a yearly basis, of this policy and the effectiveness and appropriateness of the measures and controls hereby defined.

## 11. DOCUMENT TRACKING

Version	Approval Date	Responsible Areas	Approval
1.0	12/04/2013	Compliance	Board of Directors
2.0	27/09/2013	Compliance	Board of Directors
3.0	22/09/2015	Compliance	Board of Directors
4.0	30/09/2016	Compliance	Board of Directors
5.0	19/09/2017	Compliance	Board of Directors
6.0	02/03/2018	Compliance	Board of Directors
7.0	26/09/2019	Compliance	Board of Directors
7.1	18/03/2021	Compliance	Board of Directors
8.0	16/03/2022	Compliance	Board of Directors
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