

Conflicts of Interest, Independence and Impartiality

Date	Reviewer	Amendment	Version
19/06/2016	PWG	Creation – taken from Comp Manual. Outside interests, PAD dealing, Inducements and the Outside Interests Appendix have been removed for this website version	1.0

Introduction

Under guidance from our regulator and in accordance with their Principles for Businesses ADSS LLC is required to manage conflicts of interest fairly, both between itself and its customers and between customers.

It is important that ADSS LLC, and any employee (or contractor) acting on behalf of the company, avoids any situation where there is or may appear to be a conflict of interest between ADSS LLC and its customers or between customers themselves.

ADSS LLC is committed to treating its customers fairly and it will never knowingly put itself in a position whereby its own interests, or its duty to another party, prevent it from discharging its duty to a customer.

If ADSS LLC has a relationship that gives rise to a conflict with the interests of any of its customers, it will not knowingly act for that customer without taking reasonable steps to ensure the fair treatment of that customer.

It is important to avoid not only actual conflicts of interest, but also any semblance of a conflict of interest arising.

The Compliance Officer should be contacted if a conflict of interest arises and if you are unsure as to whether a particular situation has resulted in a conflict of interest arising.

The Compliance Officer also maintains a register of Other Business Interests to document external interests of its directors (including non-executive directors) and employees.

The policy is designed to be fully self-explanatory however where circumstances are not covered by this guidance, please seek advice from the Compliance Officer. This policy has been prepared for compliance with the competent authority's rules and regulations and is **not** intended to create third party rights or duties that would not already exist if the policy was not made available, nor does it form part of any contract between ADSS LLC and any client.

Management of Conflicts of Interest

It is essential that any conflicts of interest that cannot be avoided are handled correctly and sensitively, both to comply with the regulatory Rules and our wider duties to our customers, and also to ensure that the integrity of our services is not tarnished.

Conflicts of interest can take many forms. They arise where there is a mismatch between the interests of one party to an arrangement and another party. In relation to the activities that we conduct conflicts can arise:

- Between ADSS LLC interests and those of a client.
- Between one client and another
- Between a director, manager or employee and a client

Identification of Conflicts of Interest

Conflicts of interest may arise at any time. They can arise at the start of a relationship with a client as well as at any time during a relationship. All directors and employees have an ongoing responsibility to remain alert to the potential for conflicts of interest and to ensure that any such conflicts are appropriately escalated.

Conflicts may arise where ADSS LLC, or a relevant person or a person directly or indirectly linked by access to SYSC of the firm, or the power to dictate company policy:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- 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
- Has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client
- Carries on the same business as the client, or
- 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 monies, goods or services, other than the standard commission or fee for that service

Client Notification

The Compliance Officer acts as the central coordinating point in relation to conflicts of interest. Accordingly, any actual or *potential* conflict of interest whether it arises at the commencement of a client relationship or at some other time, must be reported to the Compliance Officer. In relation to any such conflicts the following information should be provided:

- Names of clients and or account details
- Nature of the Conflict
- Whether the conflict is deemed to be an actual conflict or a potential conflict
- Identification of those within the firm who the conflict be against, and as such names of those within the firm who are best placed to resolve the conflict.

Review of Conflict(s)

Upon receipt of a Conflict Notification the Compliance Officer will:

- a) Log the conflict on the Conflicts Register.
- b) Assess the conflict to determine whether it is:
 - (i) A perceived rather than actual conflict and one in relation to which no further action is required
 - (ii) A conflict which does not have commercial implications for the firm and in relation to which the Compliance Officer is the appropriate individual to resolve
 - (iii) A more complex or commercially sensitive conflict which is best managed by the Board

Disclosing the Conflict of Interest to the Customer

If ADSS LLC has identified any relationship or interest in a transaction that may give rise to a conflict with the interests of its customers, it will disclose this fact before acting for that customer. The disclosure should be appropriately clear and concise and contain sufficient detail to enable the customer to make an informed decision as to how the conflict may affect the service being provided. ADSS LLC will not enter into any transaction with or for a customer if it has reason to believe that the customer has objected to the conflict of interest.

Disclosure of conflicts of interest will not exempt ADSS LLC from the obligation to maintain and operate effective organisational and administrative arrangements. While disclosure of specific conflicts of interest is a requirement, an over-reliance on disclosure without adequate consideration as to how conflicts may be appropriately be managed is not permitted and will not be tolerated.

Independence

All employees are required to comply with the position and normal business practice of ADSS LLC on independence, namely, when dealing with a customer, employees must disregard any corporate or personal relationship, arrangement or interest that is likely to influence the information given to, or actions undertaken on behalf of, a customer in relation to the transaction or service in question. When providing information to, or undertaking action on behalf of, a particular customer, employees must pay due regard to the interests of that particular customer and should disregard the interests of any other party.

Declining to Act for a Customer

If ADSS LLC decides that a conflict of interest cannot be managed effectively by disclosing the conflict of interest to the customer or by its position on independence, it will decline to act for that customer. This will be a Senior Management decision.

Responsibility for Identifying and Managing Conflicts

In the first instance, the Compliance Officer is responsible for identifying and resolving conflicts of interest arising from activities within ADSS LLC. To address such conflicts the following options will be considered;

- Disclosure of the potential conflict
- Level of independence and separate supervision of staff
- Removal of undue influence
- Clear allocation of responsibilities to individuals, and
- Declining to act for one party

The Risk and Compliance Committee will meet periodically, at least on a regular basis to discuss the policy and review any changes to the operations or organisation which could lead to potential conflicts. The Compliance Officer will maintain a record of any identified conflicts of interest and any action taken, which be reviewed periodically, at least annually by the Board.

Ultimate responsibility for addressing and resolving conflicts of interest resides with the Board.

Chinese Walls

Compliance have effected procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients.

Inappropriate Influences

Compliance will monitor and prevent any person exercising inappropriate influence over the way in which a relevant person carries out services or activities.

Monitoring Conflicts

The Conflicts Register is maintained by Compliance and reviewed as a standalone topic by the board when MI is presented to them in Compliance Monitoring Program reports.

Segregation of Functions

ADSS LLC operate a 'Segregation of Function' policy with full oversight supplied by the detailed Compliance Monitoring Program. As such, staff are prevented from the simultaneous or sequential involvement in separate activities where such an involvement may impair the proper management of conflicts of interest.