



Updated: 1<sup>st</sup> November 2019

## Amalgamated Metal Trading Ltd

### CONFLICTS OF INTEREST POLICY

#### Application

An important aspect of AMT's business philosophy in its provision of services to clients as a metal broker is the development and maintenance of a portfolio of long-term professional clients. Such a policy is only sustainable if it is founded on a basis of mutual trust where areas of potential conflicts of interest between AMT and its clients, or between its clients, are identified and prevented or managed in an objectively fair manner.

This Policy, which has been in place for many years, has recently been updated to take account of the requirements of the Markets in Financial Instruments Directive ("MiFID II") and Chapter 10 of the FCA Senior Management Arrangements, Systems and Controls Sourcebook. It is designed to ensure that you have a good understanding of how AMT deals with any Conflicts of Interest which may arise during the course of its business. If anything here is not clear, please do not hesitate to discuss further with your Account Executive or with AMT's Compliance Dept – [amtcompliance@amcgroup.com](mailto:amtcompliance@amcgroup.com)

Delegated Regulation\* under MiFID II provides that –

"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, investment firms shall take into account, by way of minimum criteria, whether the investment firm or a relevant person, or a person directly or indirectly linked by control to the firm, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (a) the firm or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;*
- (b) the firm or that person 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 firm or that person 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 firm or that person carries on the same business as the client;*
- (e) the firm or that person 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."*

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\* Commission Delegated Regulation (EU) 2017/565 of 25<sup>th</sup> April 2016, Article 33

## **Types of Potential Conflict**

AMT has identified the following main areas that need to be addressed to ensure that such conflicts do not arise in its provision of investment services to clients.

### *1. Remuneration*

The Company's remuneration policy is designed to encourage responsible business conduct, fair treatment of clients and to avoid conflicts of interest with clients arising. It recognises that individuals should not be able to enhance their remuneration by a breach of the Company's compliance policies. Annual appraisals of employees must make specific reference to an individual's attitude and adherence to this policy and all other compliance policies and procedures.

### *2. Client Order Routing and House Positions*

All client orders are dealt with in due turn and no client's order is favoured above another. AMT may deal with clients which are also members of the Amalgamated Metal Corporation PLC Group ("the AMC Group") but all clients are treated equally and information barriers ("chinese walls") exist between those responsible for trading at AMT and each of its AMC Group company clients.

Client orders have preference over trader's positions except where the trader is already bidding/offering at that price. More information about the handling of client orders and the obligations of 'best execution' are available in AMT's "Order Execution Policy".

### *3. Personal Positions*

Staff are not permitted to trade for their own account in any commodity in which the Company trades. Staff are reminded of this prohibition on a periodic basis.

### *4. Client Confidentiality*

The Company operates a strict policy of not disclosing any client's business to any other client, including AMC Group companies.

### *5. Gifts, Hospitality and Inducements*

The Company has policies in place which allow for a certain amount of entertainment, hospitality or gifts being both provided and accepted by clients, counterparties or other relevant entities. These are designed to encourage and develop our knowledge of the business of our customers and contracting parties and its personnel for the mutual benefit of both of us. All such gifts and hospitality are subject to limits and review both by AMT's senior management and its compliance department.

The Company does not provide or receive any form of inducement from third parties which would conflict with its duty to its clients.

6. *Investment Research and Advice*

The Company does not publish investment research or advice. Closing prices and some market commentary may be published from time to time but it will always be made clear that this is not investment research or advice and is intended to be for general information only.

7. *Management and Corporate Governance*

MiFID II contains provisions which refer to the fact that inappropriate structures of management and supervision may cause conflicts of interest and the risk of inappropriate influences being exercised by certain individuals. AMT has established a departmental/desk structure with information barriers where appropriate, and separate reporting lines to the Managing Director and believes that this prevents any risk of conflicts arising from this cause.

AMT believes that the steps that it has taken to identify and prevent or manage any conflict of interest arising in the above or any other areas, are sufficient to prevent any adverse effect upon its clients. As such, no separate disclosures are required under the terms of Article 23(2) of MiFID II.

Trading and Client Liaison staff are closely monitored by senior managers and all staff are expected and encouraged to discuss any potential conflicts with their managers. There is a strong culture of ethical behaviour and 'fair dealing' within the Company which is instilled in all staff when they join the Company and reinforced by the Company's Directors and Senior Management.

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