

Dealing with Conflicts of Interest

Sygnum Europe AG is a Liechtenstein Financial Market Authority (Finanzmarktaufsicht – FMA) licensed provider of crypto-asset services under the Markets in Crypto Asset Regulation (MiCAR).

In accordance with Article 72 (2) MiCAR, this section sets out the general nature and sources of conflicts of interest and the steps taken to mitigate them.

A conflict of interest is defined as a situation in which the personal, financial, or other interests of Sygnum Europe AG, its employees, or its associated parties may potentially interfere with the ability to act impartially and in the best interests of clients and stakeholders.

A conflict of interest may arise if there are conflicting interests of different parties which may impair the impartial, objective and dutiful provision of services. This can include actual as well as potential conflicts of interest as well as perceived conflicts of interest where the impression of a conflict arises even though none actually exists.

Conflicts of interest may arise, for example, between Sygnum Europe AG and:

- its clients
- its shareholders
- its management
- other companies of the Sygnum Group
- its employees
- or between two or more clients

General Nature and Sources of Conflict of Interest

Conflicts of interest may arise in the course of Sygnum Europe AG's business activities from various sources, including in particular the following:

- Receiving or granting monetary and/or non-monetary benefits from third parties or to third parties
- Performance-related remuneration of employees
- Granting monetary and/or non-monetary benefits to Sygnum Europe AG's employees
- Obtaining information that is not publicly known
- Personal relationships of Sygnum Europe AG's employees or the management or persons associated with them
- Participation of these persons in the board of directors or other bodies, or having any outside business activities that may conflict with interests of Sygnum Europe AG and/or its clients

Steps Taken to Mitigate

To avoid conflicts of interest, Sygnum Europe AG adheres to high ethical standards. Sygnum Europe AG commits itself, its employees, and partners to act honestly, lawfully, and professionally, always protecting the client's interests.

In particular, Sygnum Europe AG implemented the following measures to avoid and mitigate conflicts of interest:

- Internal policy as the overarching basis for identifying, registering and managing conflicts of interest
- Client trade surveillance
- Transparency and monitoring of dual hatting arrangements
- Remuneration policy oriented towards the long term and designed to minimize conflicts of interests, ensure that employees and managing directors act properly and protect clients' interests
- Maintaining an independent Compliance function
- Information barriers and market conduct controls
- Independence and objectivity of Sygnum Group's Research function
- Standardized escalation path and management of conflicts of interest
- Separate employee transaction guideline with clear rules, approval requirements and holding periods, as well as employee account trading surveillance
- Recording and data retention rules
- Token risk assessment
- Employee awareness by way of annual mandatory training
- Whistleblower protection

If you have any questions, please feel free to contact us at any time.