



**Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London

EC4Y 1AE, United Kingdom

Phone +44 0 207 583 3257 Fax +44 0 207 822 0779

---

# **Sberbank CIB (UK) Limited**

## **Conflicts of Interest Policy**

October 2017

**Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.

## TABLE OF CONTENTS

1.	Purpose of this document	3
2.	Scope	3
3.	Identification of conflicts of Interest	4
4.	Preventing and managing conflicts of interest	5
5.	Disclosure of conflicts of interest	6
6.	Disclaimer	7

**Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.

## 1. Purpose of this document

In fulfilling their obligations as investment firms licensed by the FCA to provide investment services, Sberbank CIB (UK) Limited (collectively “Sberbank UK”, “us”, “our” or “we”) apply all relevant regulatory obligations from the FCA handbook and MiFID II legislation regarding handling of conflicts of interest. Sberbank UK’s conflicts of interest policy as may be amended from time to time.

This document sets out how Sberbank UK handles conflicts of interests and potential conflicts of interest, including identification, prevention, management and disclosure thereof.

## 2. Scope

This policy applies to all Sberbank UK permanent staff (both full time or part time), directly employed by Sberbank UK or seconded to Sberbank UK and all other relevant staff within Sberbank CIB (“Group”), who are carrying out duties of Sberbank UK under outsourcing arrangements, as well as short-term and long-term contractors (collectively “employees”), and all potential conflict of interest that may give rise to a risk of damage to Sberbank UK and/or a client.

The Company is required to identify and manage conflicts of interests arising in relation to its business under a comprehensive conflicts of interest policy. It is not intended to cover all eventualities and all circumstances that may be encountered.

As a multifunction financial services Company, Sberbank UK provides a wide range of products and services to a diverse client base. As a result, inherent in its business, Sberbank UK faces a number of potential conflicts of interest (examples noted below). Identifying and managing such conflicts is an expectation of both our clients and regulator.

As a general rule, employees should always be alert to potential conflicts of interest. Where one is believed to exist, staff should immediately contact their line manager or the Compliance Department for advice.

Conflicts may arise in a number of situations between:

- Sberbank UK and a client;
- Sberbank UK’s employee and a client;
- Two or more clients of Sberbank UK in the context of the provision of business activities by Sberbank UK to them;
- Sberbank UK employees (including managers and tied agents, if any);
- Members of the group (as a result of the structure and business activities of other members of the group or with wider group of Sberbank of Russia); or

### **Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.

- Any person directly or indirectly linked to Sberbank UK or the group by control (such as vendors and tied agents, if any) and a client of Sberbank UK.

With regards to conflicts of interests and potential conflicts of interest Sberbank UK will:

- identify, with reference to the specific investment services and activities and ancillary services carried out by, or on behalf of Sberbank UK, the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- specify procedures to be followed and measures to be adopted in order to prevent or manage such conflicts; and
- set out a procedure on how to disclose conflict of interest situations in cases these cannot be contained/managed.

If it is determined that the Company is unable to manage or prevent a conflict of interest, the Company may decline to act on behalf of a client.

### **3. Identification of conflicts of Interest**

A conflict of interest is a situation, arising in any area of Sberbank UK's business, where the specific duties or interests (financial or otherwise) of Sberbank UK (and its employees) are not aligned with the interests of the clients of Sberbank UK, or interests are not aligned between clients.

For the purposes of identifying conflicts of interest Sberbank UK takes into account any of the following situations:

- (a) Sberbank UK is likely to make a financial gain (or avoid a loss) at a client's expense;
- (b) Sberbank UK is interested in the outcome of the service provided to a client where Sberbank UK's interests are distinct from the client's interests;
- (c) Sberbank UK has a financial or other incentive to favour the interests of one client over another;
- (d) Sberbank UK carries on the same business as a client; or
- (e) Sberbank UK receives money, goods or services from a third party in relation to services provided to a client.

Potential conflicts of interest may exist in Sberbank UK's business, amongst others, in the following cases:

- Dealing as principal for own account by selling the investment concerned to a client or buying it from the client;
- Holding a position in the investment of the client or a related investment;

#### **Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.

- Employees trading for their personal accounts, or in a proprietary account of the bank, based on proprietary information (such as past and future transactions) about its clients, prospective clients or other third parties;
- Mis-using confidential or proprietary information about its clients, prospective clients or other third parties;
- Executing or arranging for transactions on behalf of or in the name of any company involved in the transaction;
- Matching a client's transaction with that of another client by acting on both clients' behalf;
- Carrying out more trades than is necessary for a client;
- Buying investments where Sberbank UK or a group company is involved in a new issue, rights issue, takeover or similar;
- Providing services to a company in relation to whose securities a client is entering into a transaction;
- Employees engaging in outside business interests that may be to the disadvantage of the firm or its clients; or
- Employees receiving substantial gifts and entertainment that may influence behaviour in a way that conflicts with the interests of the firm's clients.

Sberbank UK has adopted organisational and administrative arrangements to prevent or manage such cases (See Section 4). However, if Sberbank UK is not reasonably confident that these procedures will prevent the risk of damage to our client's interests, Sberbank UK will act and disclose accordingly (See Section 5).

#### **4. Preventing and managing conflicts of interest**

Sberbank UK has established effective organisational and administrative arrangements in order to avoid any potential conflicts of interest or resolve any existing conflicts of interest and, where this is not possible, to prevent conflicts of interest from adversely affecting the interests of its clients.

These arrangements that are designed to ensure at least that:

- business and functions operate with appropriate independence from one another, including but not limited to, segregated systems access rights;
- any person is prevented or limited from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities
- the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest is prevented or controlled
- there are effective procedures in place to control the flow of information where,

#### **Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.

otherwise, the risk of a conflict of interest may harm the interests of a client;

- information about client order flow is not used to the clients' disadvantage
- the design of financial instruments does not adversely affect clients or does not lead to problems with market integrity by enabling Sberbank UK to mitigate or dispose of risks or exposures, when held on own account, to the underlying assets of the product, or by creating a situation where clients take an exposure opposite to the one that Sberbank UK wants to hold after the sale of the product;
- supervisory arrangements provide for separate supervision of staff where necessary for the fair management of conflicts of interest;
- any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where conflict of interest may arise in relation to those activities, is removed
- remunerations or assessments of performance of employees of Sberbank UK are not designed in a way that conflicts with the Sberbank UK's duty to act in the best interests of its clients
- there are appropriate controls in place to identify and manage cross-board memberships and outside business interests of Sberbank UK's employees;
- relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interest;
- appropriate disclosure shall be made to the client in a clear, fair and not misleading manner to enable the client to make an informed decision;
- appropriate inter- and intra-group / business escalation processes are in place and complied with where a conflict of interest has been identified or may be identified;
- adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- where necessary, relevant employees may be asked to step aside from working on a specific transaction or participating in the management of a potential conflict of interest;
- where necessary, relevant employees are subject to personal account transaction rules; and
- there is a periodic review of the adequacy of Sberbank UK's systems and controls.

## **5. Disclosure of conflicts of interest**

In cases where Sberbank UK is not reasonably confident that the procedures and measures for managing the conflict or potential conflict will prevent the risk of damage to our client's interests Sberbank UK will inform the client of the general nature of the conflict and the steps taken to mitigate it before undertaking business on the clients'

### **Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.

behalf. Disclosure is a measure of last resort. Disclosures will be made in a durable medium and include sufficient detail, taking into account the nature of the client, to enable the client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

## **6. Disclaimer**

This document does not constitute legal advice and clients, irrespective of categorization, are advised to seek legal opinion where appropriate. We are not acting as the client's financial adviser or in a fiduciary capacity in respect of any transaction with the client unless otherwise expressly agreed by us in writing. Before entering into any transaction the client should take steps to ensure that he/she understands the transaction and have made an independent assessment of the appropriateness of the transaction in the light of the client's own objectives and circumstances, including the possible risks and benefits of entering into such transaction. The client should also consider seeking advice from his/her own advisers in making this assessment.

### **Sberbank CIB (UK) Limited**

85 Fleet Street, 4th Floor, London, EC4Y 1AE, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Also a member of the London Stock Exchange.