



BLACK PEARL SECURITIES LIMITED

CONFLICTS OF INTEREST POLICY

Entity: Black Pearl Securities Limited (Trading as BP Prime) | FRN: 688456 | Company No: 08823678

Registered Office: 28 King Street, London, EC2V 8EH, United Kingdom

Regulatory Framework: FCA Principles for Businesses (Principle 8), SYSC 10, UK MiFIR & Consumer Duty (PRIN 2A)

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1. Overview and Purpose

Black Pearl Securities Limited ('BP Prime', 'the Firm', 'we', 'us') is authorised and regulated by the Financial Conduct Authority (FCA). Under FCA Principle 8 (Conflicts of Interest) and the Senior Management Arrangements, Systems and Controls sourcebook (SYSC 10), the Firm is required to take all appropriate steps to identify, prevent, manage, and monitor actual or potential conflicts of interest that could arise in the course of providing investment services to its clients.

This Policy sets out the organisational, operational, and administrative arrangements established to ensure that conflicts do not adversely affect the interests of our clients. In accordance with the FCA Consumer Duty (PRIN 2A), BP Prime acts with integrity, avoids foreseeable harm, and supports clients in achieving their financial objectives.

2. Scope and Governance Framework

This Policy applies to all directors, officers, permanent and fixed-term employees, contractors, and seconded personnel (collectively, 'Personnel' or 'Staff'). The Board of Directors holds ultimate accountability for the implementation and oversight of this Policy. Day-to-day administration, conflict log maintenance, and surveillance monitoring reside with the designated Compliance Officer (SMF16).

3. Identifying Conflicts of Interest

A conflict of interest arises where the interests of the Firm (or its Personnel, corporate Group entities, or third-party service providers) compete with or are contrary to the interests of a client, or where the interests of one client compete with those of another. Under Article 23 of UK MiFIR and SYSC 10.1.4R, BP Prime evaluates whether the Firm or any relevant person:

- **Financial Gain/Loss:** Is likely to make a financial gain or avoid a financial loss at the direct expense of a client;
- **Distinct Outcome Interest:** Has an interest in the outcome of a service or trade executed for a client that is distinct from the client's interest;
- **Inappropriate Incentives:** Has a financial or commercial incentive to favour the interests of another client, group of clients, or liquidity counterparty;
- **Competing Activities:** Carries on the same commercial or trading business as the client; or
- **Inducements:** Receives an inducement (monetary or non-monetary benefit) from a third party other than standard execution fees or disclosed commissions.

4. Key Conflict Areas and Mitigation Controls

Conflict Category	Nature of Potential Conflict	Operational Mitigation & Controls
Matched Principal Broker Model	Potential incentive for broker to profit from client trading losses (B-Book conflict).	BP Prime operates strictly as an STP / Matched Principal Broker. All orders are matched back-to-back with external liquidity providers; the Firm runs no proprietary book and does not profit from client losses.
Group & Affiliated Liquidity Providers	Routing orders to affiliated entities that may offer non-competitive pricing.	All routing operates under strict arm's-length terms. Execution quality, spreads, and fill rates are independently benchmarked via EMirep surveillance against prevailing market rates under COBS 11.2A.
Inducements & Payment for Order Flow (PFOF)	Receiving kickbacks or rebates from venues to direct order flow adversely.	BP Prime strictly prohibits and never accepts Payment for Order Flow (PFOF). Introducing Broker (IB) arrangements are strictly disclosed and never inflate client spreads.
Staff Remuneration (SYSC 19G)	Sales incentives driving aggressive onboarding or excessive client trading volume.	Remuneration is governed under SYSC 19G. Base salaries are fixed. Discretionary variable bonuses depend on net profits and qualitative conduct, Consumer Duty outcomes, and compliance standards.
Personal Account (PA) Dealing	Staff trading ahead of client orders (front-running) using non-public order flow data.	Strict PA Dealing Policy enforced. Staff must obtain pre-trade clearance from Compliance, respect black-out windows, and declare external brokerage accounts. Front-running is prohibited under UK MAR.

5. Core Operational Controls & Information Barriers

5.1 Segregation of Duties

BP Prime maintains clear structural segregation across business lines. No single individual possesses unrestricted authority to initiate, approve, reconcile, and account for transactions. Executive management functions are ring-fenced from operational execution and client fund administration.

5.2 Information Barriers ('Chinese Walls')

To protect confidential client information and prevent unlawful disclosure under the UK Market Abuse Regulation (UK MAR), the Firm maintains physical, technical, and electronic Information Barriers. Staff members are prohibited from disclosing confidential trading or order data to colleagues without a verified, legitimate business need-to-know, and Compliance maintains restricted lists where appropriate.

5.3 Gifts and Hospitality Register

In accordance with our Anti-Bribery Policy and Bribery Act 2010 obligations, Personnel must not accept or offer gifts or corporate entertainment that could compromise commercial objectivity. All gifts or hospitality exceeding the internal threshold (£100) require advance written pre-clearance from Compliance and are formally logged in the Conflicts Register.

6. Disclosure as a Measure of Last Resort (SYSC 10.1.8R)

BP Prime recognises that disclosure of a conflict to a client is a measure of last resort. In accordance with FCA guidance, disclosure is only relied upon when the organisational and administrative arrangements established by the Firm are not sufficient to prevent, with reasonable confidence, the risk of damage to the interests of the client.

Where disclosure becomes unavoidable, it will be provided in writing via a durable medium before undertaking business. The disclosure will clearly describe the general nature and source of the conflict, the risks to the client, and the specific steps taken to mitigate those risks, allowing the client to make an informed commercial decision.

7. Governance, Surveillance and Record Keeping

The Compliance Officer maintains a centralised Conflicts of Interest Register, which logs identified conflicts, ongoing monitoring controls, and exemptions. The Board of Directors conducts a formal review of this Policy and the register at least annually.

All conflict logs, PA dealing records, and management reviews are retained for a minimum statutory period of five years in accordance with FCA SYSC rules.