

## **Conflicts of Interest Disclosure Statement**

### **1. Introduction**

GC Exchange FZE (“GCEX” or the “Firm”) is licensed and regulated by the Dubai Virtual Assets Regulatory Authority (“VARA”) to provide Broker-Dealer Services in relation to Virtual Assets.

GCEX is committed to identifying, preventing and, where prevention is not reasonably possible, appropriately managing conflicts of interest that may arise between GCEX and its clients, between employees and clients, between different clients, or between clients and third parties involved in the provision of GCEX’s services.

GCEX maintains a conflicts-of-interest framework designed to ensure that clients are treated fairly and that their interests are not adversely affected by an actual or potential conflict. Oversight of the framework is exercised by the Compliance Officer and senior management, with ultimate oversight by the Board of Directors.

### **2. Principal Conflicts Relevant to GCEX’s Business**

Given the nature of GCEX’s Broker-Dealer activities, actual or potential conflicts may arise in particular in the following circumstances.

#### **Dealing as Principal**

GCEX acts as principal in its transactions with clients. When a client enters into a transaction with GCEX, the client’s contractual counterparty and execution counterparty is GCEX.

GCEX generally manages the resulting market exposure through a corresponding back-to-back transaction with a liquidity provider or other hedging counterparty. The selection of a hedging counterparty does not change GCEX’s relationship with the client or make that counterparty the client’s execution venue.

GCEX recognises that acting as principal may create a potential conflict between its commercial interests and those of its clients. GCEX manages this conflict through its pricing, execution and governance controls and by requiring the terms offered to clients to be fair and supportable by reference to prevailing market conditions.

#### **Pricing, Spreads and Fees**

GCEX may earn remuneration through spreads, mark-ups, mark-downs, commissions or other execution-related charges, as applicable. This may create a potential commercial incentive in relation to the price or terms offered to a client.

GCEX maintains controls designed to ensure that pricing and applicable charges are fair, reasonable and justifiable and are disclosed to clients in accordance with applicable requirements.

## **Selection of Liquidity and Hedging Counterparties.**

GCEX uses liquidity providers and other counterparties to manage or hedge exposures arising from client transactions.

A potential conflict could arise where GCEX has different commercial arrangements with different liquidity or hedging counterparties. GCEX therefore considers relevant factors when selecting and reviewing such counterparties, including pricing, available liquidity, spreads, execution speed, settlement reliability, operational resilience, regulatory status and counterparty risk.

GCEX does not permit its selection of a liquidity or hedging counterparty to result in unfair treatment of clients.

## **Competing Client Interests**

Conflicts may arise where the interests or orders of two or more clients compete, including where available liquidity or execution opportunities are limited.

GCEX does not favour the interests of one client or group of clients in a manner that unfairly disadvantages another and requires client orders to be handled fairly and in accordance with its execution arrangements.

## **Group and Third-Party Relationships**

Potential conflicts may arise from relationships between GCEX and other GCEX Group entities, liquidity providers, counterparties, service providers or other third parties involved in the provision of services to clients.

GCEX assesses relevant arrangements with such parties and applies appropriate governance, due diligence, contractual, execution and Compliance controls where a relationship could influence, or reasonably appear to influence, decisions affecting clients.

## **Employee and Personal Interests**

Employees may have personal, financial or outside business interests that could conflict with the interests of GCEX or its clients.

GCEX requires relevant outside business interests to be disclosed and maintains controls to identify and manage such interests. Where an interest creates a significant conflict, GCEX may require it to be restricted, discontinued or otherwise addressed.

## **Gifts and Inducements**

Gifts, entertainment or other benefits provided by clients, counterparties or other business partners may create, or appear to create, an incentive that could affect independent decision-making.

GCEX prohibits employees from offering, soliciting or accepting inducements that would materially conflict with duties owed to clients or constitute bribery. Relevant gifts and benefits are subject to internal declaration, approval and monitoring requirements.

### **Confidential and Inside Information**

GCEX may receive confidential or inside information in the course of its activities. A conflict may arise where such information could potentially be used for the benefit of GCEX, an employee or another client.

GCEX maintains controls governing access to and use of such information and maintains Insider Lists where required.

### **3. How GCEX Manages Conflicts**

Depending on the nature of a conflict, GCEX may use one or more measures including:

- organisational and governance arrangements;
- segregation of responsibilities and appropriate access controls;
- independent Compliance oversight;
- controls over order execution, pricing and selection of liquidity and hedging counterparties;
- employee declarations and management of outside business interests;
- restrictions relating to gifts, inducements and personal interests;
- maintenance and review of conflicts records;
- escalation to senior management or the Board where appropriate; and
- disclosure to the affected client where a conflict cannot otherwise be adequately prevented or managed.

GCEX's internal framework requires identified conflicts to be assessed, managed and recorded, with ongoing Compliance monitoring and Board oversight.

### **4. Client Interests**

Where GCEX identifies a conflict, its objective is to prevent the conflict from adversely affecting clients and to ensure that clients are treated fairly.

Where the arrangements established by GCEX are not sufficient to prevent a material risk of harm to a client's interests, GCEX may make an appropriate disclosure to the client and, where necessary, decline or restrict the relevant activity.

### **5. Contact**

Questions regarding GCEX's approach to conflicts of interest may be directed to:

**Compliance Officer**

GC Exchange FZE

**Email:** [compliance@gc.exchange](mailto:compliance@gc.exchange)