Conflict of Interest Disclosure

Introduction

Change Securities B.V. (“Change”) is a Dutch-regulated investment firm and crypto-asset service provider (CASP) authorized by the Dutch Authority for the Financial Markets (AFM). We operate a digital platform offering both crypto-asset services and CFD trading.

In the course of providing these services, situations may arise where Change’s business interests, or those of our employees, group entities, or service providers, may not be fully aligned with the interests of our customers. These situations are known as "conflicts of interest." If not properly identified and managed, they could compromise our ability to act impartially and in your best interest.

Change is required by law (including the Markets in Crypto-Assets Regulation (MiCAR)) to identify, prevent, manage, and disclose conflicts of interest. This document outlines the key conflict scenarios relevant to our business model and the structural, operational, and governance measures we have implemented to manage them effectively.

1. Institutional and Intra-Group Relationships

Change operates within the "Change Group," relying on its parent company (Change Group AS) and affiliated entities (such as xChange AS) for essential functions, including ICT systems, compliance support, and operational staff.

- **Potential Conflict**: A conflict may arise if the commercial interests of the wider Change Group (e.g., cost-saving priorities or group-level strategy) diverge from Change’s specific regulatory obligations in the Netherlands or the best interests of its customers. For example, resource allocation for IT development might favor group-wide projects over specific local regulatory needs.
- **How We Manage This**:
    - **Independent Governance**: Change maintains a dedicated Board of Directors in the Netherlands with independent decision-making powers to prioritize local regulatory compliance and customer protection.
    - **Contractual Oversight**: All intra-group services are governed by strict Intra-Group Master Services Agreements (IGMSAs) that define clear service levels (KPIs) and oversight mechanisms to ensure Change retains control over its critical functions.
    - **Separation of Duties**: We apply safeguards to prevent "dual-hatting" conflicts where staff roles might create divided loyalties between group strategy and local regulatory duties.

2. Trading and Execution Services

Change executes customer orders for both crypto-assets and CFDs. We generate revenue through transaction fees, spreads, and other charges.

- **Potential Conflict**: As a service provider, our revenue is linked to trading volume. This could create a perception that we are incentivized to encourage excessive trading or to list assets solely for commercial gain rather than quality. Additionally, conflicts could arise if one customer is treated more favorably than another (e.g., better execution speed for larger customers).
- **How We Manage This**:
    - **Best Execution**: We are strictly bound by our Best Execution Policy (if applicable), which mandates that we take all sufficient steps to obtain the best possible result for our customers, prioritizing factors like price, speed, and likelihood of execution over our own commercial interests.
    - **Fair Treatment**: We apply principles of fairness and equal treatment. We do not offer preferential execution speeds or "fast lanes" to specific customers to the detriment of others.
    - **Asset Admission**: Our decision to list a crypto-asset is governed by a formal admission process that assesses the asset's quality and risk profile, independent of pure revenue considerations.

3. Outsourcing and Critical Third Parties

Change relies on critical third-party providers for key operational services, including identity verification, transaction monitoring, blockchain analytics, cloud infrastructure, and fiat payments.

- **Potential Conflict**: Service providers may have commercial incentives to prioritize their own interests (e.g., reducing their costs or prioritizing other customers) over the specific needs of Change and its customers. There is also a risk of "overlapping relationships" if a provider simultaneously serves Change and a direct competitor.
- **How We Manage This**:
    - **Due Diligence**: We conduct rigorous due diligence before onboarding any critical provider to ensure their values and operational standards align with our regulatory duties.
    - **Strict Contracts**: Our outsourcing agreements include robust clauses on audit rights, service levels, and data security to ensure providers remain accountable to Change.
    - **Ongoing Monitoring**: Our Compliance and Operations teams continuously monitor the performance of these providers to ensure they act in accordance with our standards.

4. Employee Personal Trading

Employees of Change, including management, may hold or trade crypto-assets or financial instruments privately.

- **Potential Conflict**: A conflict arises if an employee uses confidential or non-public information (e.g., knowledge of a large pending customer order or a new asset listing) to trade for their own personal gain (front-running or insider trading).
- **How We Manage This**:
    - **Personal Account Dealing Rules**: All employees are subject to strict Personal Account Dealing rules. This includes restrictions on trading certain assets, requirements to pre-clear trades, and prohibitions on short-term speculative trading that could distract from professional duties.
    - **Confidentiality**: Employees are contractually bound to keep customer and proprietary information strictly confidential and are prohibited from using it for personal advantage.
    - **Monitoring**: Compliance monitors employee trading activity to detect and prevent potential abuse.

5. Disclosure and Resolution

While we strive to prevent conflicts, total elimination is not always possible. In cases where our internal arrangements are not sufficient to ensure, with reasonable confidence, that the risk of damage to customer interests will be prevented, we will:

- **Disclose**: Clearly disclose the general nature and/or sources of the conflict to you before undertaking business on your behalf.
- **Mitigate/Decline**: If a conflict cannot be managed effectively even with disclosure, Change will decline to act or will take specific measures to remove the conflict (e.g., removing a conflicted employee from a decision-making process).

For further details on our conflict management framework, you may request a summary of our full Conflict of Interest Policy by contacting our Compliance team via the support portal.