



*Authorised as Cypriot Investment Firm  
Regulated by the Cyprus Securities and Exchange Commission  
License Number: 081/07*

# **INDUCEMENTS POLICY**

**2021**

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## 1. Introduction

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### 1.1 Legal framework

Ronin Europe Limited (the “Company”) under:

- 1) Cypriot Law 87(I)/2017, as amended and in force, titled “Provision of Investment Services, Exercise of Investment Activities, Operation of Regulated Markets and Other Related Matters” (hereinafter the “MiFID II Law”), which incorporated EU Directive 2014/65 titled “On market in financial instruments” (hereinafter the “MiFID II”),
- 2) the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”) Directive DI87-01 titled “With regard to safeguarding of Clients financial instruments and funds, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits”, which incorporated EU Directive 2017/593 titled: “With regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision of reception of fees, commissions or any monetary or non-monetary benefits”,
- 3) EU Regulation 565/2017 titled “Organizational requirements and operating conditions for investment firms and defined terms”,
- 4) ESMA Questions and Answers (Q&As) titled “On MiFID II and MiFIR investor protection and intermediaries’ topics”, as updated in 2021,
- 5) CySEC Circular C.431 of 2021 titled “ESMA launches a Common Supervisory Approach with NCAs on MiFID II Product Governance rules under which the CySEC adheres to its content forming part of CySEC’s supervisory review for the purpose of the 2021 common supervisory approach,

### 1.2 Scope of Inducements Policy

The Inducements Policy:

- i. defines the rules in which the Company must comply when paying or being paid any fee or commission or providing or being provided with any non-monetary benefit in connection with the provision of an investment service or ancillary service to the clients,
- ii. frames itemised conditions that must be met in order a fee, commission or non-monetary benefit to enhance the quality of the relevant service to the client,
- iii. sets an ex ante and ex post disclosure of specific information to the clients in relation to the fees or benefits and
- iv. ensures that specific rules apply for inducements in respect of investment advice on an independent basis or portfolio management services.

Custody costs, settlement and exchange fees, regulatory levies or legal fees and which by its nature cannot give rise to conflicts of interest with the Company's duty to act honestly, fairly and professionally in accordance with the best interests of its clients, is not subject to the requirements set out above regarding the liaison of an inducement and enhancement of the quality of the service to the client.

### **1.3 Amendments to the Inducements Policy**

The Inducements Policy may be updated from time to time depending on any new issuance or/and amendment of the applicable main and secondary legislation, EU Regulations, Company's practices and internal policies. The client is obliged during the business relationship with the Company to visit its website for any updates of the Inducements Policy published from time to time without any further notice from the Company. The client consents in the Client's Agreement/Terms of Business that the provision of information in relation to the Inducements Policy will take place via the relevant link of the Company's website. In case of any material changes to the Inducements Policy of the Company, the latter will inform promptly the clients accordingly via e-mail or other durable medium under the meaning of MiFID II Law.

## **2. Inducements, enhancement of quality of investment services and disclosure**

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### **2.1 Forbidden inducements**

A fee, commission, or non-monetary benefit shall not be considered acceptable by the Company and the latter will not act honestly, fairly and professionally and in the best interest of the client if the Company pays inducements or accepts inducements within the provision of main or/and ancillary services to its clients unless the following in section 2.2 are met at all times.

### **2.2. Acceptable inducements**

A fee, commission, or non-monetary benefit shall be considered to be designed to enhance the quality of the relevant service to the client and will be considered acceptable by the Company, if all of the following conditions are met:

1) it is justified by the provision of an additional or higher level service (quality enhancement criteria) to the relevant client, proportional to the level of inducements received such as:

- a) the provision of non-independent investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having no close links with the Company;
- b) the provision of non-independent investment advice combined with either: an offer to the client, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the client has invested; or with another on-going service that is likely to be of value to the client such as advice about the suggested optimal asset allocation of the client; or
- c) the provision of access, at a competitive price, to a wide range of financial instruments that are likely to meet the needs of the client, including an appropriate number of instruments from third party product providers having no close links with the Company, together with either the provision of added-value tools, such as objective information tools helping the relevant client to take investment decisions or enabling the relevant client to monitor, model and adjust the range of financial instruments in which he has invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments.

Factors that the Company indicatively takes into consideration in order to assess the enhancement of the quality of the investment service is the nature, scale of the benefit for the client in contrast/comparison with the benefit of the Company, if a factual direct or indirect

reason/initiative/ground exists that alters the Company's business behavior to the client against its best interest, the link/liaison/business relationship between the Company and the third party which grants or accepts the benefit.

2) it does not directly benefit the Company, its shareholders or employees without tangible benefit to the relevant client,

3) it is justified by the provision of an ongoing benefit to the relevant client in relation to an ongoing inducement,

4) the Company is compliant with its duty to act honestly, fairly and professionally and in the best interest of the client.

### **2.3. Payments or benefits from or to third parties and obligation for disclosure**

In relation to any payment or benefit received from or paid to third parties, the Company discloses to the client the following information:

a) prior to the provision of the relevant investment or ancillary service, the information on the payment or benefit concerned in accordance with the best interest of the client and acting fairly, honestly and professionally,

b) where the Company is unable to ascertain on an ex ante basis the amount of any payment or benefit to be received or paid and instead disclosed to the client the method of calculating that amount, the Company shall also provide its clients with information of the exact amount of the payment or benefit received or paid on an ex-post basis,

c) at least once a year, as long as on-going inducements are received by the Company in relation to the investment services provided to the relevant clients, the Company shall inform its clients on an individual basis about the actual amount of payments or benefits received or paid. Minor non-monetary benefits may be described in a generic way.

### **3. Minor non-monetary benefits**

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Minor non-monetary benefits must be acceptable by the Company designed to enhance the quality of services to the clients in accordance with their best interest acting fairly, honestly and professionally and disclosed -but described in a generic way- to them prior to the provision of the relevant investment or ancillary service.

The minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Company' behavior in a way that is detrimental to the interest of the relevant client.

#### **4. Internal list of inducements and records**

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The Compliance Officer of the Company:

a) keeps an internal list of fees, commissions and non-monetary benefits received by the Company from a third party in relation to the provision of investment or ancillary service that enhance the quality of the relevant service to the client,

b) records how the fees, commissions and non-monetary benefits paid or received by the Company or that it intends to use, enhance the quality of the services provided to the relevant clients and the steps taken in order not to impair the Company's duty to act honestly, fairly and professionally in accordance with the best interests of the client,

c) recommends to the BoD measures to prevent or mitigate any conflicts of interest arising from inducements received or paid.

## **5. Inducements in respect of investment advice on an independent basis or portfolio management services**

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### **5.1 Monetary benefits**

The Company when provides investment advice on an independent basis or portfolio management returns to clients any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that client as soon as reasonably possible after receipt.

All fees, commissions or monetary benefits received from third parties in relation to the provision of independent investment advice and portfolio management shall be transferred in full to the client. Any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of independent investment advice and portfolio management are allocated and transferred to each individual client. The Company informs clients about the fees, commissions or any monetary benefits transferred to them through the periodic reporting statements provided to the client.

### **5.2 Minor non-monetary benefits**

When providing investment advice on an independent basis or portfolio management shall not accept non-monetary benefits that do not qualify as acceptable minor non-monetary benefits. The following benefits shall qualify as acceptable minor non-monetary benefits only if they are:

a) information or documentation relating to a financial instrument or an investment service, is generic in nature or personalized to reflect the circumstances of an individual client;

b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public;

c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;

d) hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under point (c); and

e) other minor non-monetary benefits which deems capable of enhancing the quality of service provided to a client and, having regard to the total level of benefits provided by one entity or group of entities, are of a scale and nature that are unlikely to impair compliance with the Company's duty to act in the best interest of the client.

Acceptable minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Company's behavior in any way that is detrimental to the interests of the relevant client. Disclosure of minor non-monetary benefits shall be made prior to the provision of the relevant investment or ancillary services to clients and may be described in a generic way.

## **6. Miscellaneous/General**

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If any provision or provisions of this Inducements Policy shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law.

All capitalized terms and phrases used herein but not otherwise defined shall have the same meanings given to them in the Client's Agreement/Terms of Business .

Any inquiry regarding this policy may be personally served to the General Manager of the Company Mrs. Tatiana Elkina either by sending an email at [Tatiana.Elkina@europe.ron.in](mailto:Tatiana.Elkina@europe.ron.in) or by ordinary mail or fax, Ronin Europe Limited, Pythagoras street 3, office 301, Pythagoras Court, 3027 Limassol, Cyprus, Fax +357 25878291.