

Lunaro Financial Services Limited (FRN 184333) Conflicts of Interest Policy

1. Introduction

1.1 Purpose

The purpose of this policy is to establish, implement, and maintain effective measures to identify, manage, and mitigate conflicts of interest. This policy ensures compliance with regulatory obligations and supports Lunaro Financial Services Limited's ('Lunaro') commitment to delivering good outcomes for all clients, particularly retail clients.

1.2 Scope

This policy applies to all employees, managers, directors, appointed representatives, and any other agents of Lunaro. It covers all services provided and activities undertaken on behalf of clients.

2. Regulatory Requirements

Lunaro is committed to complying with all regulatory requirements concerning conflicts of interest. To that end, the firm will:

- Identify Conflicts of Interest: Take all reasonable steps to identify conflicts of interest that may arise:
 - i. between the firm, its managers, employees, appointed representatives, or any person linked to them by control, and a client of the firm; or
 - ii. between one client of the firm and another client.
- Maintain Records of Conflicts: Keep and regularly update a record of services or activities performed by or on behalf of the firm where conflicts of interest have arisen, or may arise, and which entail a material risk of damage to the interests of one or more clients.
- Manage Conflicts: Maintain and operate effective organisational and administrative arrangements to take all reasonable steps to manage conflicts of interest, as defined above, to prevent them from constituting or giving rise to material risks of damage to clients' interests.
- Disclose Conflicts: Where conflicts cannot be adequately managed to ensure client interests are protected, disclose the general nature and/or sources of conflicts of interest to clients before undertaking business.

- Disclosures must be made in a durable medium and provide sufficient detail for clients to make informed decisions regarding the services provided.
- Maintain an Effective Conflicts of Interest Policy: Establish, implement, and maintain a written conflicts of interest policy appropriate to the firm's size, organisation, and the nature, scale, and complexity of its business. If the firm is part of a group, the policy will also account for group structures and activities that may create conflicts.

3. Roles and Responsibilities

- Board of Directors: Provide oversight and approval of this policy.
- Compliance Officer: Maintain the conflicts register, monitor adherence to this policy, and provide guidance and training.
- Employees: Proactively identify and report potential conflicts, adhering to the firm's internal procedures.
- Managers: Oversee compliance within their teams and escalate unresolved issues to the Compliance Officer.

4. Identifying Conflicts of Interest

Lunaro considers the following types of conflicts of interest when providing services or carrying out activities that may entail material risks of damage to clients' interests:

- Financial Gain or Loss: The firm, its employees, or any person linked to the firm by control is likely to make a financial gain or avoid a financial loss at the expense of the client.
- Interest in Outcomes: The firm has an interest in the outcome of a service provided to the client, or a transaction carried out on the client's behalf, that differs from the client's interest in that outcome.
- Client Prioritisation: The firm has a financial or other incentive to favour the interests of one client or group of clients over those of another.
- Competing Businesses: The firm carries on the same business as the client.
- Third-Party Inducements: The firm receives or will receive inducements from third parties (in the form of monies, goods, or services) in relation to a service provided to the client, beyond standard commissions or fees.

5. Managing Conflicts of Interest

Lunaro manages conflicts of interest by implementing robust mitigating controls, including but not limited to:

5.1 Organisational and Administrative Arrangements

- Establishing clear roles and responsibilities to separate conflicting functions.
- Restricting access to sensitive information to those who have a "need to know."

5.2 Personal Account Dealing

All employees are subject to restrictions on personal account dealing to ensure no conflict arises with client interests.

5.3 Segregation of Duties

Job responsibilities are designed to ensure independence in decision-making and to avoid conflicts.

5.4 Gifts and Inducements

Employees must not solicit or accept gifts or inducements that could influence their impartiality. All gifts above £250 must be declared and recorded.

5.5 External Business Interests

All external business interests or directorships must be disclosed and approved by senior management.

5.6 Compliance Monitoring

The Compliance Department regularly monitors adherence to the firm's conflict management procedures.

5.7 Disclosure to Clients

Where conflicts cannot be managed effectively, the firm will disclose the conflict to clients with sufficient detail to allow informed decision-making.

6. Disclosing Conflicts

The arrangements described above are designed to minimise the risk of conflicts of interest being detrimental to clients. In most cases, these measures are sufficient to protect client interests. However, in rare circumstances where these arrangements are deemed insufficient:

- i. the firm may disclose the conflict of interest to the client(s) in writing. Such disclosures will provide enough detail for the client to make an informed decision; and
- ii. in the event of a severe conflict that cannot be adequately managed, the firm may need to cease or decline to act on behalf of the client.

7. Training and Awareness

Conflicts of interest training is provided during onboarding and refreshed periodically to ensure all employees understand their responsibilities under this policy.

8. Monitoring and Review

The Compliance Department maintains the conflicts register and reviews this policy periodically or when significant regulatory or business changes occur. The review frequency is annual.

9. Reporting and Escalation

All employees must report potential or actual conflicts of interest to their line manager or the Compliance Officer. Significant issues will be escalated to the Board for resolution.

10. Related Policies and Documents

- Gifts and Hospitality Policy
- Personal Account Dealing Policy
- Remuneration Policy
- Whistleblowing Policy

11. Definitions and Abbreviations

Term	Definition
Conflict of Interest	A situation where competing obligations or interests may impair impartiality.
FCA	Financial Conduct Authority.
Inducement	A monetary or non-monetary benefit received in connection with a service provided.

