

# CONFIRMO

## **Confirmo Limited Conflicts of Interest Disclosure**

In accordance with MiCA (Regulation (EU) 2023/1114), Confirmo Ltd (“Confirmo”, “we”, “us”, or “our”) is required to disclose to our clients and prospective clients the general nature and sources of conflicts of interest that may arise in the provision of our crypto-asset services, as well as the steps we take to mitigate them. This disclosure is intended to provide sufficient detail to enable you, as a client or prospective client, to make an informed decision about engaging with our services.

Confirmo operates as a Crypto-Asset Service Provider ("CASP") authorised by the Central Bank of Ireland. Our services are provided exclusively to business clients (merchants) resident in the EEA, and include:

- Invoicing: Enabling merchants to accept crypto-asset payments from their customers, with subsequent exchange (where applicable) and settlement to the merchant in funds or other crypto-assets.
- Payouts: Allowing merchants to initiate transfers of crypto-assets to third parties, with exchange (where applicable) from the merchant's balance.

These services involve the regulated activities of (1) exchanging crypto-assets for funds, (2) exchanging crypto-assets for other crypto-assets, and (3) providing transfer services for crypto-assets on behalf of clients, as defined in Article 3 of MiCA. We do not provide custody and administration of crypto-assets, operation of a trading platform, execution of orders, advice, or portfolio management services.

Our business model focuses on B2B clients in sectors such as payment services, e-commerce, marketing, IT, luxury goods, and forex. Services are delivered online via a proprietary web platform and API integrations.

We act as a principal in exchange transactions, using our own capital, and hold client assets only temporarily (no longer than the next business day for crypto-assets) for the purposes of exchange or transfer.

We are committed to acting honestly, fairly, and professionally in the best interests of our clients. Conflicts of interest are managed through a robust internal policy that prioritizes prevention, with disclosure as a measure of last resort. Below, we outline the general nature and sources of potential conflicts, followed by our mitigation measures.

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## **General nature and sources of conflicts of interest**

A conflict of interest arises when the interests of Confirmo (including our staff, management, shareholders, affiliates, or third-party providers) diverge from or conflict with the interests of our clients, or when duties to one client conflict with those to another client or to Confirmo itself. These conflicts could potentially impair our objectivity, lead to unfair treatment of clients, or result in financial gain for Confirmo or connected persons at the expense of clients.

Based on our operating model, internal assessments, and regulatory requirements, we identified the following primary sources of potential conflicts of interest:

### **1. Principal trading and exchange activities**

We act as a principal in exchanges (buying crypto-assets from or selling to clients using our proprietary capital). Therefore, there is a risk that our pricing, inventory management, or market operations could prioritise our financial interests (e.g., through spreads or fees) over achieving the best outcome for clients.

### **2. Remuneration and incentives**

Staff remuneration, including variable components like bonuses, could incentivise behaviours that favour Confirmo's revenue over client interests. This is particularly relevant for client-facing roles or those involved in trade execution.

### **3. Personal interests of staff and connected persons**

Staff, management, or our affiliates may have personal interests that conflict with Confirmo's or clients' interests. For instance, staff trading in crypto-assets could lead to front-running client transactions or misuse of confidential information.

### **4. Group affiliations and outsourcing**

Confirmo is part of a group with entities in the USA, the Czech Republic, and other jurisdictions. The ultimate owner of Confirmo is a venture capital firm with multiple firms engaged in various business activities. Conflicts may arise from shared resources, influence from group strategy, or outsourcing critical functions, where group interests could override client priorities. Third-party providers (e.g., liquidity providers, wallet management software) may have their own incentives that indirectly affect our services.

### **5. Client-to-Client Conflicts**

In handling multiple merchants, we may favour one client's transaction (e.g., due to higher volume or fees) over another's.

### **6. Information Flows and Confidentiality**

Handling sensitive client data (e.g., transaction details) could lead to conflicts if information is shared inappropriately within Confirmo or with affiliates or misused, potentially for proprietary trading or other purposes.

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## **7. Gifts, Hospitality, and Inducements**

Acceptance or offering of gifts from clients or providers could impair staff impartiality or create obligations that conflict with client interests.

## **8. Other Potential Sources**

Broader risks include regulatory changes affecting group strategy, reputational issues from group activities, or economic pressures influencing decisions that indirectly impact clients.

We identify these sources proactively through our ongoing risk assessments, staff reporting obligations, and a dedicated Register of Conflicts of Interest maintained by our Compliance function.

## **Steps taken to mitigate conflicts of interest**

Confirmo has implemented a comprehensive Conflicts of Interest Policy, approved by our Board of Directors, to prevent, identify, manage, and (where necessary) disclose conflicts. This policy is reviewed annually, integrated into staff training, and audited. Key mitigation measures include:

### **1. Prevention through organisational arrangements**

- We maintain clear separation between operational units and control functions to avoid undue influence. Information barriers ("Chinese Walls") restrict the flow of confidential data.
- Compliance and risk teams report directly to the Board, with unrestricted access to information and resources.
- Fixed and variable pay is structured to align with long-term risk management and client interests. Incentives do not encourage excessive risk-taking or favouritism. Remuneration is designed as to not incentivise unfair treatment of clients.
- Staff must pre-clear significant personal trades with Compliance. Records of personal trading are monitored to prevent misuse of information. Trades by connected persons through Confirmo are limited and approved by the Board to ensure arm's-length terms.
- Strict limits on personal gifts from clients and a register to track potential inducements are implemented.

### **2. Identification and monitoring**

- All staff have a duty to report potential conflicts promptly to Compliance.
- We maintain a dynamic Register of Conflicts of Interest, updated regularly, which records the nature, measures, and oversight of each identified conflict.

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- Reporting to the Board on conflict risks, with periodic reviews by internal audit.

### **3. Transparency**

- Exchange rates are calculated using a fair methodology and displayed to clients before transactions.
- We disclose our principal status in contractual documentation as well as in this disclosure.
- Services are provided non-discriminatorily to eligible business clients. Terms and Conditions clearly outline rights, obligations and risks.
- Due diligence on our outsourcing providers includes conflict assessments. Contracts ensure alignment with our policies, and we maintain alternatives for critical services.
- All staff receive mandatory training on conflicts at onboarding and annually, fostering a culture of integrity.

### **4. Disclosure as Last Resort**

- If a conflict of interest cannot be fully mitigated, we disclose it explicitly to affected clients before providing the service, including risks and mitigation steps. This is done in clear language via our platform or email.

If you have questions about this disclosure or believe a conflict may affect your relationship with us, please contact our Compliance team at [compliance@confirmo.net](mailto:compliance@confirmo.net). We encourage clients to review this information alongside our Terms and Conditions and other policies available on our website. You can request a copy of this disclosure by email.

This disclosure will be updated as needed to reflect changes in our operations or identified risks.