



Inducements Disclosure Document

In the course of providing services to its clients, Alfa Capital Markets Ltd (herein after “Alfa”, “the Company”, “we”, “us”, “our”) may pay or receive fees, commissions, rebates or non-monetary benefits from third parties (including any affiliates). Subject to the below, such payments or benefits will be designed to enhance the quality of the services Alfa provides to its clients, without impairing its compliance with the duty to act honestly, fairly and professionally in accordance with its clients’ best interests.

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

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

(i) 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 investment firm; or

(ii) 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

(iii) 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 investment firm, 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 they have invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments.

(b) it does not directly benefit the recipient firm, its shareholders or employees without tangible benefit to the relevant client;

(c) it is justified by the provision of an on-going benefit to the relevant client in relation to an on-going inducement.

A fee, commission, or non-monetary benefit shall not be considered acceptable if the provision of relevant services to the client is biased or distorted as a result of the fee, commission or non-monetary benefit.

Where Alfa pays or receives any fee, commission, rebate or non-monetary benefit it discloses the existence, nature and amount of the payment or non-monetary benefit, or where the amount cannot yet be ascertained, the method for calculating that amount, separately to its clients in accordance with its regulatory obligations. For such disclosures refer to this document, the Terms of Business and at the Company’s website <https://alfacapital.com.cy/en/>. Other mechanisms may also be used for making such disclosures, depending on the case.

Where Alfa receives on-going payments or non-monetary benefits in relation to a service provided to its clients, it will inform its clients at least annually of about the actual amount of payments or non-monetary benefits received or paid. The above does not apply to payments or benefits which enable or are necessary for the provision of investment services and which do not impair compliance with our duty to act honestly,



fairly and professionally in accordance with our clients' best interests. Minor non-monetary benefits ("MNMBs") may be described in a generic way.

Those MNMBs that Alfa may provide or receive, without making additional disclosure, include:

- (i) information or documentation relating to a financial instrument or an investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
- (ii) 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 a 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 firms wishing to receive it, or to the general public;
- (iii) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- (iv) hospitality of a reasonable de minimis value such as food and drink during a business meeting or a conference, seminar or other training event mentioned under (iii) above;
- (v) non-substantive material or services consisting of short term market commentary on the latest economic statistics or company results or information on upcoming releases or events which may be deemed to be information relating to a financial instrument or investment service of a scale and nature that it constitutes an acceptable MNMB in accordance with our regulatory obligations; and
- (vi) such other MNMBs as may be specified or permitted under the applicable laws and regulations which deem capable of enhancing the quality of service provided to a client and are of a scale and nature that are unlikely to impair compliance with Alfa's duty to act in the best interest of its clients.

Alfa receives investment research from affiliate companies in exchange of a fee. Such research is distributed to its clients subject to conditions. It is noted that the provision of research by third parties to investment firms providing portfolio management or other investment or ancillary services to clients shall not be regarded as an inducement if it is received in return for either of the following:

- (a) direct payments by the investment firm out of its own resources;
- (b) payments from a separate research payment account controlled by the investment firm, provided the following conditions relating to the operation of the account are met:
 - (i) the research payment account is funded by a specific research charge to the client;
 - (ii) as part of establishing a research payment account and agreeing the research charge with their clients, investment firms set and regularly assess a research budget as an internal administrative measure;
 - (iii) the investment firm is held responsible for the research payment account;
 - (iv) the investment firm regularly assesses the quality of the research purchased based on robust quality criteria and its ability to contribute to better investment decisions.

The Company may provide payments to third parties in relation to the services it provides to clients only in the case where such third parties made the initial referral of such clients as potential client. The payment to such third parties might be linked to such clients' transactions' turnover provided that it does not impair Alfa's compliance with relevant legislation. The payments shall be reasonable and proportionate and of such a scale, that they are unlikely to influence the Company's behaviour in any way that is detrimental to the clients' interest. For such referral, the Company might provide to



the third parties information or documentation in relation to an investment or/and ancillary service or/and financial instrument. The aforementioned payments will not lead to an increase of the overall fees to be paid by clients. For detailed information about the payment scheme, refer to section “*IB commission terms by client type*” at <https://alfacapital.com.cy/en/products/foreign-exchange/>.

The Company may also receive inducements from issuers of structured products through a variety of mechanisms including distributing commission fees or discount to the amount charged to the client. In such cases, special disclosures will be made to affected clients prior the provision of the service where applicable and in accordance with its regulatory obligations.