



**GRAVITY** | PRIVATE WEALTH

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# Regulatory Compliance Policy

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## 1. Introduction

Gravity Private Wealth Ltd (hereinafter the "Company") is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 442079. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 447/24.

As a consequence of the increasing legislative and regulatory requirements in the operation of the financial sector, it is considered necessary to establish effective and objective procedures to prevent and deal with the risk arising from non-compliance with the applicable operational and supervisory institutional framework.

The Company, taking into account the above, established the Regulatory Compliance Department (hereinafter "RCD"), which shall operate as a centralized function and be performed at the level of the Company for all locations and/or jurisdictions in which the Company is present either directly or via subsidiaries and/or affiliates (collectively, the "Group"). The mission of the RCD is the provision of support, monitoring and control of the matters concerning the Group's compliance with the applicable legislative and regulatory framework.

In this context, the Company draws up the Regulatory Compliance Policy (hereinafter "the Policy"), which defines the general principles applied to identify and limit the risk arising from the failure to comply with the applicable requirements.

## 2. Purpose

This Policy aims to deal with all kinds of consequences from any failure of the Group to comply with the applicable legislative and regulatory framework, as well as the other policies and procedures applied by the Group at the level of the Company.

The basic operating principles and responsibilities of the RCD are implemented in accordance with the requirements of Markets in Financial Instruments Directive (Directive 2014/65/EU) ("MiFID II") and Regulation 2014/600/EU ("MiFIR"), as well as the relevant actions of the Capital Market Commission.



## **2.1. Scope of application**

The Policy is applied by the Company, the Group, all of the Company's staff, and its effective implementation is the responsibility of the Company's senior management as well as the individual persons employed by the Company.

## **2.2. Regulatory Framework**

The Policy has been prepared in accordance with the following laws, regulations, directives and guidelines:

- Law which provides for the provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other related matters L. 87(I)/2017);
- Regulation (EU) No 600/2014 of the European Parliament and of the Council, of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MIFIR);
- Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014 on Markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II);
- Commission Delegated Regulation (EU) No. 2017/565 of 25 April 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council;
- Regulation No 596/2014 on market abuse, the Directive 2014/57/EU of the EP and the Council of 16 April 2014 on criminal sanctions for market abuse and Other supporting Market Abuse Delegated Regulations (together "Market Abuse Regulations" or "MAR"); and
- Other laws, directives and circulars issued by the European Securities and Markets Authority ("ESMA") and the Cyprus Securities and Exchange Commission ("CySEC") from time to time, applicable to this Policy.

## **3. Regulatory Compliance Organizational Structure**

### **3.1. Responsibilities of the Board of Directors**

The Board of Directors (hereinafter, the "Board") is responsible for the effective implementation of the Policy, which includes the following responsibilities:

- The adoption of the Policy and its revision, at least on an annual basis, and whenever a relevant need arises;
- Assessing the degree of compliance with the current legislative and regulatory framework, as well as highlighting improvements that can be made;
- The evaluation and approval of submitted reports and reports carried out by the RCD; and



- The definition of the person responsible for the special institutional responsibilities in the field of prevention and suppression of money laundering and terrorist financing as provided for in Law 4557/ 2018.

### **3.2. Responsibilities of the AML and Compliance Officer**

The responsibilities of the AML and Compliance Officer include in particular the following:

- The monitoring of legislative and regulatory developments, as well as the practices of CySEC and all competent Supervisory Authorities;
- The assessment and monitoring of the risk of regulatory compliance in all of the Company's and the Group's operations, through the preparation of an Annual Action Program and the implementation of sample checks;
- The establishment and implementation of appropriate procedures with the aim of achieving in a timely manner the complete and permanent compliance of the Company and the Group with the current legislative framework and the policies in force, so that there is a permanent and complete picture of the degree of achievement of this goal;
- The provision, in case of amendments to the current legislative framework, relevant instructions for the corresponding adaptation of the Company's internal policies and procedures;
- Ensuring the Company's employees are constantly informed about developments, in the legislative framework relevant to their responsibilities, with the preparation and organization of informative and educational programs;
- Ensuring, with appropriate procedures, the observance of the deadlines for the fulfillment of the obligations regarding the submission of the reports provided for by the current legislative framework, and the provision for this purpose of a relevant written assurance to the Administration;
- Participation (at least) in advisory capacity in the design of new products and procedures in matters related to business decision-making, in order to ensure compatibility with the current legislative framework;
- The management of requests from CySEC and all competent Supervisory Authorities, regarding customer complaints and participation in the management of customer complaints/complaints, as well as ensuring the smooth cooperation and communication of the Company with CySEC and all competent Supervisory Authorities;
- Informing the Board, at least on an annual basis, through the Regulatory Compliance report, but also exceptionally for any identified significant violation of the current legislative framework or for any significant deficiencies in the observance of the obligations imposed by it; and

- The follow-up for the implementation of any outstanding issues referred to audit findings carried out by the Supervisory Authorities, the External Auditors, the Internal Audit Department and the RCD.

The AML and Compliance Officer supports the Group centrally and oversees operations across all locations and/or jurisdictions out of the Company.

## **4. Basic Regulatory Compliance Functions**

### **4.1. Risk Assessment**

The RCD, having taken into account the investment services provided or practiced by the Company, adopts and implements a risk-based approach. As a consequence of this, it conducts on a periodic basis an assessment of the risk of regulatory compliance to determine the level of risk faced by the Company and whether it is acceptable, as well as to ensure their adequate monitoring.

### **4.2. Monitoring Program**

The RCD establishes a monitoring program which, after completing a compliance risk assessment, identifies and prioritizes, according to the level of risk, control areas as they are formed and ensures that the risk is fully and adequately monitored and controlled.

The monitoring program takes into account the Company's tolerable level of risk, and regulates the effective implementation and timely implementation of any corrective actions to be taken in the event of weaknesses or deficiencies being found.

### **4.3. Submission of Reports**

The RCD submits regulatory compliance reports to the Company's Board at regular intervals. These reports are prepared at least on an annual basis, and whenever deemed necessary, while at a minimum information should be included regarding regulatory compliance risks, audits and their results, developments in the legislative framework, conflicts of interest, monitoring of the products (product governance) and complaints.

### **4.4. Advising**

In the context of promoting and developing a "culture of regulatory compliance", the RCD fulfills its advisory role by supporting staff training, assisting staff on a daily basis and participating in the establishment of new policies and procedures within the Company through the following actions:

- Advisory participation in the establishment of new products and processes;

- Monitoring timely submission of supervisory reports;
- Monitoring and raising awareness on developments in the applicable legislative framework;
- Submission of proposals to the administration regarding the prevention of conflict of interest; and
- Providing recommendations on the conditions for outsourcing activities and tasks of the Company.

## **5. Implementation and Review**

This Policy is created, owned and maintained by the RCD, which is responsible for maintaining version series, original requests, and supporting documentation with all relevant approvals of this Policy.

The Policy is reviewed at frequent intervals and will be updated whenever such a need arises.

Some of the circumstances that can trigger the review process are the identification of situations that are not adequately captured in the Policy and updates in the applicable legislative and regulatory framework.