

Conflict of Interest Disclosure

Background

Regulation (EU) 2023/1114 on markets in crypto-assets ("MiCA") stipulates that crypto asset service providers, such as Revolut Digital Assets Europe Ltd ("RDAEL" or "us" or "we" or "our/ourselves") need to identify, prevent, manage and disclose conflicts of interest between:

(a) ourselves and:

(i) our shareholders or members;

(ii) any person directly or indirectly linked to us or our shareholders or members by control;

(iii) members of our management body;

(iv) our employees;

(v) our clients; or

(b) two or more of our clients whose mutual interests conflict.

Types of Conflicts

A conflict may arise where RDAEL:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- Has an interest in the outcome of a service provided to a client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interests of one client or group of clients over the interests of another client; or
- Receives or will receive from a person other than the client an inducement (i.e. a fee or a gift or entertainment) in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Identification and Management of Conflicts of Interest

Regulators require organisations to maintain and operate effective governance and administrative arrangements, with a view to taking all appropriate steps to manage conflicts of interest and prevent them constituting or giving rise to a risk of damage to the interests of its clients. Where it is not possible to avoid or manage a conflict of interest, Revolut has the discretion to decline to provide the service requested. As part of Revolut's governance framework, a number of organisational arrangements, systems and internal controls have been implemented which are designed to identify and manage potential conflicts of interest to prevent damage to the interests of Revolut's clients. The controls include, but are not limited to:

- Governance structure;
- Senior management oversight, management information and reporting;
- Mandatory training, including treating customers fairly, conflicts of interest and anti bribery and corruption;
- Employee Handbook which includes terms and conditions of employment;
- Global Conflicts of Interest Policy and Procedure, Anti Bribery and Corruption Policy for gifts and entertainment reporting and Personal Account Dealing arrangements.

In addition to the above controls, conflicts of interest are reported using a central conflicts of interest reporting tool and are reviewed by Compliance to establish mitigating controls. All employees (including executive and non executive directors) are required to report perceived, possible or real conflicts of interest using Revolut's global conflicts of interest portal. Revolut maintains a list of all conflicts which may give rise to a conflict of interest with a record of the controls recommended to manage such conflicts.

Examples of Conflicts of Interest and Mitigation Measures

We have identified conflicts of interest that may exist when operating our services. We pay particular attention to instances where the interests of RDAEL may conflict with the best interests of our clients. Set out below are some of the core conflicts of interest that may arise, with details of the relevant mitigation measures applied by RDAEL.

Inducements

In the provision of crypto asset services to clients, Revolut may from time to time provide, accept or retain certain minor non-monetary benefits to or from third parties. Should this occur, it may give rise to potential conflicts of interest where such benefits could impair Revolut's obligation to act in the best interests of its clients. As part of Revolut's regulatory responsibilities and with regard to fiduciary obligations it owes to clients, it is Revolut's policy to avoid providing, accepting or retaining any fee, commission or monetary benefit to or from third parties, apart from minor non-monetary benefits. To further minimise the risk of conflicts, Revolut has adopted a Gifts and Entertainment reporting procedure to support Revolut's Global Anti Bribery and Corruption Policy which is designed to ensure benefits are proportionate and reasonable. Where benefits are provided, accepted or retained, Revolut's policies are designed to ensure that such benefits are declared, pre-approved and recorded.

Order Handling and Best Interests

RDAEL provides a non-advised order transmission service in crypto-assets and therefore does not offer any advice or provide any portfolio management services. However, having a group company within the Revolut Group as the sole execution venue for our client trades may create a risk that our clients' best interests conflict with our interests in routing trades solely to our own group company execution venue, which in theory could at times not provide best execution to our clients. In order to ensure that the said conflict of interest is appropriately managed, we ensure that we have operational independence from the Revolut Group and more specifically from the execution venue where our client orders are routed to. This is achieved by ensuring that our Board of Directors can make decisions around execution that are in our clients' best interests, without influence from the Revolut Group execution venue. Our Board of Directors will have, at all times, at least one Independent Non-Executive Director with the responsibility for raising independent challenges around best execution, and in identifying, monitoring and preventing any inappropriate influence by the Revolut Group. In addition, RDAEL will carry out execution quality reviews to ensure that best execution was achieved and that the Revolut Group execution venue remains the best venue for execution of our clients' trades. In addition, RDAEL will have in place an achievable "exit plan" to move execution from the Revolut Group execution venue where it no longer meets best execution requirements. We will be granted sufficient oversight over the Revolut Group execution venue's processes and its liquidity sources in order to monitor pricing and quality of execution. RDAEL does not engage in principal trading or trading for its own account (i.e. proprietary trading) and as such no conflicts arise between us and our clients. Nevertheless, the potential conflict of interest in routing our clients' orders exclusively to the Revolut Group execution venue is exacerbated by Revolut's internal market making arrangements on crypto-assets. In order to ensure that the said conflict of interest is appropriately managed, we ensure that RDAEL must ensure that we are granted sufficient access to Revolut's processes and procedures to evaluate how it manages this conflict, including but not limited to, personal account dealing processes and market abuse oversight.

Listing / Placing Revolut-issued stablecoin

Listing and placing a Revolut-issued stablecoin on our platforms for trading by our clients. This raises the potential conflict where we may be incentivised, by way of being part of the Revolut group to favour Revolut's stablecoin, including to market the stablecoin in favourable terms over other stablecoins, potentially in ways that are unbalanced. In order to ensure that the said conflict of interest is appropriately managed, we will ensure that our teams that are assessing the listing of new assets and managing marketing and promotions of assets are ring-fenced, such that they will not be, subject to inappropriate influence from the Revolut Group in relation to the

Revolut stablecoin. In addition, we have a marketing policy and arrangements in place, so that all marketing and other statements are fair, clear and not misleading. More specifically and in managing the conflict of interest that may arise in relation to the Revolut-issued stablecoin, all risk disclosures relating to stablecoins will be standardised such that risks will be disclosed equally across Revolut and non-Revolut stablecoins.

Overview of Revolut's systems and controls to manage certain conflicts of interest

Personal Trading

Real or possible conflicts identified by Revolut Systems and controls for managing conflicts of interest

Revolut employees may undertake personal account dealing, including personal investments in crypto-assets. This may cause a conflict between our employees and our clients, as this may encourage 'front running' or the use of confidential information for personal gain. To manage this conflict we have adopted a Personal Account Dealing policy, including a minimum 10-day holding period and personal account dealing reporting requirements for specific employees in order to manage the potential conflict and related risks. Policies and procedures exist to prevent all employees from insider trading, trading on material non-public information, and disclosing confidential information. Further, employees are required to periodically attest compliance with, and understanding of, our conflicts of interest arrangements and controls.

Outside Business Interests

Real or possible conflicts identified by Revolut Systems and controls for managing conflicts of interest

RDAEL employees, directors or non-executive directors may hold outside business interests such as directorships, advisory board memberships, trusteeships or otherwise serve in alternative roles either within the Revolut Group or in an oversight capacity for other public or private companies or charities. These outside business interests may create conflicts with the best interests of our clients. RDAEL has controls in place so that where outside business interests are held by individuals, or an individual intends to hold such a position, reporting and, in many cases, pre-approval is required. In addition, directors (including non-executive directors) of RDAEL are required to declare any conflicts of interest in accordance with their directors' duties.