

# **VM Vita Markets Ltd**

*(Regulated by the Cyprus Securities & Exchange Commission)*

**CIF License no. 373/19**

# **OUTSOURCING POLICY**

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## **Introduction**

VM VITA MARKETS LTD (hereinafter the “Company”) is an investment firm established in the Republic of Cyprus and authorised by the Cyprus Securities and Exchange Commission (the “CySEC” or “Commission”) pursuant to the Law 87(I)/2017, to provide one or more investment services to third parties or/and perform one or more investment activities in accordance with its Cyprus Investment Firm (“CIF”) authorisation.

The Company has established and implemented an Outsourcing Policy (the “Policy”), which has been approved by the Board of Directors and has been incorporated in the Company’s Internal Operations Manual (“IOM”). It is noted that the Policy must be followed by the Company at all times.

The Company reserves the right to amend the current Policy at any time if such amendment is needed as a result of any amendments of the law, any regulations or for any reason the Company considers as a proper reason to amend the Policy.

## **Outsourcing and Company’s responsibility**

When the Company outsources critical or important operational functions or any investment services or activities, it remains at all times fully responsible for discharging all of its obligations under the Law. When outsourcing, the Company has in place arrangements to comply with the following conditions:

- (a) Outsourcing does not result in the delegation by Senior Management of its responsibility.
- (b) The relationship and obligation of the Company towards its clients under the Law is not altered.
- (c) The conditions with which the Company must comply in order to be authorized are in accordance with the Law and are not undermined.
- (d) None of the other conditions subject to which the Company’s authorization was granted is being removed or modified.

In the case that outsourcing would conclude to the transfer of functions of the Company to such degree which renders the Company a letter box entity, this is considered to undermine the conditions for authorization of the Company, according to the Law.

## **Outsourcing of critical functions**

The Company outsources the following control and support functions:

1. Internal Audit Function
2. Customer support services
3. IT support

The Company shall exercise due skill, care and diligence is exercised when entering into, managing or terminating any arrangement for the outsourcing of critical or important operational functions or of any investment services or activities.

The outsourcing will be governed by the following rules:

- (a) All outsourcing arrangements will be approved by the Board of Directors. In making the decision to



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outsource an activity the Company will take into consideration the following:

- i. The activity to be outsourced will not be an investment service or any activity that will limit the capability of the Company to either function effectively or risk in any way the compliance of the Company to current legislation;
  - ii. The capacity, experience and reputation of the service provider to which the Company intends to outsource the activity;
  - iii. The availability of alternative service providers and/or in-house expertise to replace the selected provider if the Company chooses to do so;
  - iv. In general, the Company will exercise due skill, care and diligence when entering into, managing or terminating any arrangement for the outsourcing to a service provider of critical or important operational functions or of any investment services or activities.
- (b) The employees that have direct contact with the service provider will monitor the ability of the service provider to carry out the tasks outsourced and report any problems to the CEO for any necessary corrective action.
- (c) In the event that any service is outsourced, the BoD must ensure that adequate controls are in place so that any undue influence is avoided.
- (d) The respective rights and obligations of the Company and of the service provider will be clearly allocated and set out in a written agreement. In particular, the Company will take the necessary steps to ensure that the following conditions are satisfied:
- i. The service provider has the ability, capacity, and any authorisation required by Law to perform the outsourced functions, services or activities reliably in due care and professionally;
  - ii. The service provider shall carry out the outsourced services effectively and the Company should establish such methods in order to monitor the level of performance of the service provider;
  - iii. The service provider shall properly supervise the carrying out of the outsourced functions, and adequately manage the risks associated with the outsourcing;
  - iv. Appropriate action shall be taken if it appears that the service provider may not be carrying out the functions, services or activities effectively and in compliance with applicable laws and regulatory requirements.
  - v. The Company shall retain the necessary expertise to supervise the outsourced functions, services or activities effectively and manage the risks associated with the outsourcing and supervise those functions and manage those risks.
  - vi. The service provider shall disclose to the Company any development that may have a material impact on its ability to carry out the outsourced functions effectively and in compliance with applicable Laws and regulatory requirements;
  - vii. The Company will ensure that in case that the arrangement for outsourcing needs to be terminated the continuity and quality of its provision of services to Clients will not be affected;



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- viii. The service provider shall cooperate with the CySEC in connection with the outsourced activities;
  - ix. The Company, its auditors and the relevant competent authorities must have effective access to data related to the outsourced activities, as well as to the business premises of the service provider;
  - x. The service provider shall protect any confidential information relating to the Company and its Clients;
  - xi. The Company and the service provider shall establish, implement and maintain a contingency plan for disaster recovery and periodic testing of backup facilities, where that is necessary having regard to the function, service or activity that has been outsourced;
  - xii. Where the Company outsource important operational functions or any investment services or activities, to a service provider located in a third country, the Company shall ensure that the following conditions are satisfied:
    - Provide prior notification to CySEC about the outsourcing arrangement;
    - The service provider is authorised or registered in its home country to provide that service and must be subject to prudential supervision;
    - There is an appropriate cooperation agreement in place between the Commission and the supervisory authority of the service provider.

In any case, the Company shall ensure at all times that such outsourcing would not result into the transfer of functions to such degree which renders the Company a letter box entity.

In case the Company and the service provider are members of the same group, the Company shall make sure that the Company controls the service provider and has the ability to influence its actions.