MIGASUTO

Subject: Internal Governance & Regulatory Compliance

Effective Date: 1/07/2026

Corporate Conflicts of Interest Policy: *The institutional framework and declaration protocols governing advisory independence, operational transparency, and systemic risk mitigation across all portfolio engagements.*

Purpose

MIGASUTO provides fractional CFO services to early-stage startups & SMEs. We are publishing our internal Conflicts of Interest Policy because transparency is our core value. Here is exactly how we ensure our advice remains impartial when handling your business.

Scope

This policy applies to:

- All directors, employees, consultants, and contractors of MIGASUTO (referred to as “personnel”).
- All engagements, whether current, prospective, or historical.

What Is a Conflict of Interest?

A conflict of interest arises when MIGASUTO’s duty to act in the best interests of one client conflicts with:

- **Our duty to another client** (e.g., advising two competing startups on pricing strategy or investment terms).
- **Our own interests** (e.g., holding shares in a client’s competitor, or receiving a referral fee from a third party that could influence our advice).
- **A personal interest of our personnel** (e.g., a family member working for a client).

Conflicts may be **actual** (already occurring), **potential** (likely to arise), or **perceived** (a reasonable third party might see a conflict).

Common Examples Relevant to MIGASUTO

Situation	Type of Conflict
Advising two startups in the same industry who are competing for the same investors or customers	Client-client

Situation	Type of Conflict
Recommending a software tool or platform from which MIGASUTO receives a commission or referral fee	Firm-own interest
A personnel member holding equity in a client or a direct competitor	Personal interest
Providing services to a startup where a personnel member’s close relative is a director or major shareholder	Personal interest
Receiving a gift or hospitality from a client before a significant financial decision	Perceived conflict
Former client asks for advice on a transaction directly adverse to a current client	Client-client

Identifying Conflicts

Obligation on all personnel: Every member of MIGASUTO is responsible for identifying potential conflicts. Before accepting a new engagement, onboarding a new client, or making a material recommendation, personnel must consider whether any conflict exists.

Annual declaration: All personnel must complete a simple **conflicts declaration form** (a free template can be provided) at the start of each calendar year, disclosing:

- Any business or financial interests outside MIGASUTO.

- Any directorships, partnerships, or advisory roles held.
- Any family or close personal relationships with persons involved in client or prospective client companies.
- Any gifts or hospitality received above a nominal value (e.g., £50).

Ongoing disclosure: Personnel must immediately report any conflict that arises during an engagement, even if unforeseen.

Managing Conflicts – A Four-Step Approach

When a conflict is identified, MIGASUTO will follow this four-step process:

Step	Action
1. Record	Log the conflict in the Conflicts Register.
2. Assess	Evaluate the materiality and likelihood of harm to the client(s).
3. Decide	Determine the appropriate management measure.
4. Disclose	Inform affected clients in writing before proceeding.

Management measures (from least to most intrusive):

- **Avoidance:** Decline or terminate the conflicting engagement. This is the safest option for high-risk conflicts.
- **Consent with disclosure:** Provide full written disclosure to all affected clients and obtain their informed consent before proceeding. The disclosure must explain the nature of the conflict and how we intend to manage it.

- **Information barriers (“Chinese walls”):** Separate personnel, systems, and files so that teams working on competing clients do not have access to each other’s confidential information. In a small firm, this is often impractical – avoidance or consent is usually more effective.
- **Restructuring the engagement:** Change the scope of work to remove the conflict (e.g., declining to advise on a specific transaction while continuing other services).

What we will never do: We will never conceal a conflict, rely solely on our own judgment without client disclosure, or allow a conflict to influence our advice in a way that harms any client’s interests.

Disclosure to Clients

Where we seek client consent to manage a conflict, our disclosure will include:

- A clear description of the conflict (actual, potential, or perceived).
- Why we believe we can still provide objective advice.
- The measures we have put in place to safeguard the client’s interests.
- A statement that the client has the right to refuse consent and to seek alternative advice.

Consent must be **explicit and in writing** (email is acceptable). We will retain a copy of the client’s consent in our engagement file.

If a client refuses consent, we will either:

- Modify our engagement to eliminate the conflict; or
- Decline or terminate the relevant engagement.

Conflicts Register

MIGASUTO will maintain a **Conflicts Register** – a simple, confidential log (e.g., a spreadsheet or table in a secure document). The register will contain:

Field	Description
Date identified	When the conflict was first noted
Client(s) involved	Names of affected clients (anonymised if sensitive)
Nature of conflict	Brief description (e.g., “Client A and Client B are direct competitors seeking same investor”)
Management measure taken	e.g., “Declined to advise on pricing for Client B”
Date disclosed to client(s)	When disclosure was made
Consent obtained?	Yes / No / Not required
Outcome / closure date	How the matter was resolved

The register will be reviewed quarterly by the Compliance Officer to identify patterns or recurring risks. Retention period: **six years** from the date of the last entry.

Gifts, Hospitality, and Personal Interests

To maintain independence, MIGASUTO adopts the following limits:

- **Nominal gifts:** Personnel may accept promotional items (pens, calendars, small branded merchandise) of negligible value (under £20). Any gift above this value must be declared and approved by the Compliance Officer.
- **Hospitality:** A single working lunch or coffee is acceptable. Tickets to events, overnight stays, or hospitality above £50 per person requires prior approval and must be recorded in the Conflicts Register.
- **Cash or cash equivalents:** Never accepted under any circumstances.

Personnel may **not** receive any personal payment, commission, or referral fee from a third party in relation to advice given to a client without full disclosure and client consent.

New Client and Engagement Take-On Procedures

Before accepting any new client or significant new engagement, the responsible personnel will:

1. Check the Conflicts Register and consult with the Compliance Officer.
2. Identify any existing client that competes with the prospective client.
3. Consider whether the new engagement would create a conflict with an existing client.
4. If a conflict exists, apply the four-step process (record, assess, decide, disclose).

No new engagement will be accepted without documented confirmation that either (a) no conflict exists, or (b) a conflict has been properly disclosed and consented to.

Training and Awareness

All personnel will receive a copy of this policy upon joining MIGASUTO and at least annually thereafter. A brief (15-minute) annual refresher will be conducted, covering common scenarios and reporting obligations. This can be delivered via a simple team meeting or emailed summary – no cost required.

Breaches and Enforcement

Any personnel who knowingly fails to disclose a conflict, or who proceeds with an engagement without proper disclosure and consent, will be subject to internal disciplinary action, which may include termination of engagement. Clients affected by an undisclosed conflict will be notified immediately, and appropriate remedial action (including fee refunds or redress) will be considered.

Client Right to Escalate

If a client believes that MIGASUTO has failed to identify or properly manage a conflict of interest, they may raise the matter under our **Client Complaints Procedure**. If not satisfied with our response, they may refer the matter to our professional body (e.g., ACCA) or, where applicable, to the Information Commissioner’s Office (for data-related conflicts).

Review of This Policy

This policy will be reviewed annually by the Compliance Officer and updated to reflect changes in law, professional standards, or the nature of our business. The latest version will be made available to all personnel and to clients upon request.