

# **Information on the detection and management of Conflicts of Interest when providing cryptoasset services**

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## What is the purpose of this document?

Regulation (EU) 2023/1114, on markets in cryptoassets ("MiCA") and the regulations that develop it, requires providers of cryptoasset services, such as BBVA, to identify, prevent and manage conflicts of interest in this activity and inform customers and potential customers regarding the adopted measures. This document aims to comply with this obligation.

## Which cryptoasset services does BBVA provide?

BBVA currently provides the following cryptoasset services exclusively for customers who already have an account with the bank: custody and administration, execution of orders and outgoing transfers in the legally required cases. BBVA does not offer any type of advice or recommendation on any cryptoasset. The indicated services are provided at the sole initiative of customers.

## What are Conflicts of Interest and how are they detected and managed?

A Conflict of Interest is a situation that arises when an employee, manager, agent or any person directly or indirectly linked to BBVA through a relationship of control has personal or professional interests that could influence the performance of their duties and adversely affect our customers, society in general, BBVA and/or stockholders.

To prevent and manage these conflicts, BBVA has a control framework based on internal policies, standards and procedures designed to ensure that we act with integrity and for the benefit of our customers. Specifically, it has the following general measures:

- Prior analysis: before launching or marketing a new product or service, potential conflicts are analyzed, as well as how to mitigate them.
- Segregation of duties and areas: to avoid people's participation in activities that may result in a conflict, we segregate duties and/or teams, and establish information barriers between the different areas of the organization.
- Mechanisms for approving or making decisions, such as committees or forums, for activities or processes where it is most likely that Conflicts of Interest may occur.
- Suitable remuneration schemes for personnel providing services to customers or who have control duties.
- General guidelines for action for employees and managers to behave honestly and diligently, ensuring equal treatment between customers, suppliers, stockholders, etc. These guidelines are accompanied by continuous training and communication programs.
- Recording and monitoring conflicts of interest: BBVA has tools to record and manage the identified conflicts, ensuring that they are reported to the management bodies when necessary.

## Have any Conflicts of Interest been detected when providing cryptoasset services?

With regards to the provision of cryptoasset services, we have not detected any Conflicts of Interest for the following reasons:

- BBVA provides the indicated cryptoasset services at the sole initiative of customers, so there is no possibility that its personnel can influence customers to take out the services.
- BBVA does not offer any type of advice or recommendation on any cryptoasset, and therefore it is not possible for its personnel to persuade customers to take out cryptoasset services.
- BBVA only sends sequential and automated orders for the purchase and sale of customers' cryptoassets, without the possibility of favoring one over another and without accumulating them with own-account transactions or other customers' transactions.
- In addition, BBVA has suitable procedures for approving and declaring personal transactions with cryptoassets for certain people who may have information on the orders placed by customers, to ensure that they do not use this information for their own benefit.

- BBVA safeguards the customers' cryptoassets in a segregated and independent manner with respect to its own positions, thus avoiding any potential Conflict of Interest.
- BBVA has selected suppliers that are involved in providing cryptoasset services based on the principles of transparency, objectivity and competition, ensuring the absence of situations of Conflict of Interest. In addition, all suppliers have signed the BBVA Group's Code of Ethics for suppliers, which also details and contains obligations for this purpose.
- In addition, BBVA has a "listing" and "de-listing" process for cryptoassets, to include them in its offer, where different factors are analyzed, including actual or potential Conflicts of Interest. No Conflicts of Interest have been detected in relation to the cryptoassets included in the offer.

In any case, if during the provision of the cryptoasset services there is a situation in which the adopted measures are not sufficient to eliminate and/or mitigate the possible damages derived from a potential Conflict of Interest, the customers will be informed before making the decision, to enable them to make the best decision for their interests.