

ING Bank

Inducements Policy

1. Introduction

As you are a client of ING Bank N.V. conducting business with ING Bank (we, us or ING), we are committed to the relationship we have with you. We undertake to conduct business with you in a way which is honest, fair and professional and in accordance with your best interests. One of the ways we do this is to be transparent about certain fees, commissions or benefits given or received by ING to or from third parties, as described in this Inducements Policy (the Policy).

2. What is the goal of our inducements policy?

ING has to take all appropriate steps to identify and to prevent or manage conflicts of interest, including those caused by the receipt of inducements from third parties or by ING's own remuneration and other incentive structures.

ING shall hold evidence that any fees, commissions or non-monetary benefits paid or received by ING are (i) passed through to the client; or (ii) designed to enhance the quality of the relevant service to the client.

When providing investment advice on an independent basis and/or portfolio management, ING shall not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party. Minor non-monetary benefits that are capable of enhancing the quality of service provided to a client and are of a scale and nature such that they could not be judged to impair compliance with ING's duty to act in the best interest of the client must be clearly disclosed.

Circumstances which meet the requirement for 'quality enhancement' for acceptable inducements:

- justified by the provision of an additional or higher level of service proportional to the level of the inducement;
- does not directly benefit the recipient firm without tangible benefit to client;
- justified by the provision of ongoing benefit in relation to ongoing inducement, and
- does not distort the provision of service.

ING keeps records of all fees, commissions or non-monetary benefits, paid or received, and how they enhance the quality of services provided to the relevant clients.

The disclosure shall be made prior to relevant service being provided. All fees, commissions or non-monetary benefits received should be disclosed on annual basis, including the amount paid or received.

Research can be received by ING only if it is paid for either:

- directly by ING out of its own resources; or
- from a separate research payment account, provided certain requirements are met.

3. Examples of permissible minor non-monetary benefits

As mentioned in chapter 2, when providing investment advice on an independent basis and/or portfolio management, minor non-monetary benefits are allowed if they meet the quality enhancement criteria. The exemption for permissible minor non-monetary benefits are narrowed to include (this a non-exhaustive list):

- information or documentation relating to a financial instrument or service (this could be generic in nature or personalised);
- written material from a third party that is commissioned and paid for by an corporate issuer to promote a new issuance by the company, provided that the relationship is clearly disclosed and it is made available at the same time to any investment firms or to the general public;
- participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or service;
- hospitality of a reasonable de minimis value, this could for example include food and drink during a business meeting or a conference, seminar or other training events;
- other minor non-monetary benefits as identified by individual Member States.

Some potential examples of minor non-monetary benefits:

- Short market updates with limited commentary or opinion;
- Commentary between a firms trading desk and a trader in another firms trading desk in the context for seeking market information for immediate execution (prices or liquidity availability);
- Material repeating or summarising public market news stories or corporate statements from issuers;
- Public announcements or quarterly reports;
- Pre-deal material – Usually received for a capital raising event from a third party underwriter provided the nature of material is made clear and available to all potential investors.