

# **IFCM CYPRUS LIMITED**

## Investor Compensation Fund

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**IFCM Cyprus Limited**

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## **INVESTOR COMPENSATION FUND**

IFCM CYPRUS LIMITED (former Infin Markets Ltd) (hereinafter referred to as the “Company”), having its registered address situated at 6 Marinou Geroulanou, 4154 Kato Polemidia, Limassol, Cyprus is authorized to provide the following investment services by the Cyprus Securities and Exchange Commission under license number 147/11:

### Investment Services

1. Reception and transmission of orders in relation to one or more financial instruments
2. Execution of orders on behalf of clients
3. Dealing on own account
4. Investment advice

### Ancillary Services:

1. Safekeeping and administration of financial instruments for the account of Clients, including custodianship and related services such as cash/collateral management
2. Granting credits or loans to an investor to allow him/her to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
3. Foreign exchange services where these are linked with the provision of investment services

### Financial Instruments:

The Company shall be offering the above investment services, in respect of the following financial instruments:

1. Transferable securities
2. Money-market instruments
3. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)
5. Financial contracts for differences (for differences in relation to MiFID instruments, currencies, interest rates or other financial indices)

The Company will not engage in cash transactions on behalf of clients in the Foreign Exchange market.

## **Introduction**

Every Cyprus Investment Firm (hereinafter referred to as "CIF") is obliged under Section 17 of the Investment Services and Activities and Regulated Markets Law of 2007 (hereinafter referred to as the "Law"), to be a member of the Investment Compensation Fund (hereinafter referred to as "ICF"). According to Section 58 of the Law, a CIF must participate in the Investor Compensation Fund (hereinafter referred to as the "Fund") in order to be allowed to provide investment services.

## **Purpose**

The Company is a member of the Investor Compensation Fund. The objective of the Fund is to secure claims of covered clients against CIFs, in situations where the CIF is unable to fulfill its obligations despite whether that obligation arises from legislation, the Client Agreement or from wrongdoing on the part of the member of the Fund.

## **Failure to execute its obligations consists of:**

1. Failure to return to its covered clients funds owed to them or funds which belong to them but are held by the member of the Fund, directly or indirectly, in the context of the provision by the said member to the said Clients of covered services, and which the latter requested the member to return in exercise of their relevant right;
2. Failure to hand over the covered clients financial instruments which belong to them and which the member of the Fund holds, manages or keeps on their account, including circumstances where the member is responsible for the management of the said financial instruments.

## **Covered Services:**

Covered Services are the aforementioned services offered by the CIF, as also listed on the Company's license (license number 147/11) issued by the Cyprus Securities and Exchange Commission. The Fund shall not pay compensation to individuals for which criminal proceedings under the provisions of the Prevention and Suppression of the Legalization of Proceeds from Criminal Activities Law of 2007 are pending against them.

## **Covered Clients:**

The Company's Clients are all covered by the Fund unless they fall within the following categories:

1. The following categories of institutional and professional investors
  - (a) Investment Firms
  - (b) Legal entities associated with the member of the Fund and, in general, belonging to the same group of companies
  - (c) Banks
  - (d) Cooperative credit institutions

- (e) Insurance Companies
  - (f) Collective Investment organizations in transferable securities and their management companies
  - (g) Social Insurance Institutions and Funds
  - (h) Investors characterized by the member as professionals, upon their request
2. States and Supranational organizations.
  3. Central, federal, confederate, regional and local administrative authorities.
  4. Enterprises associated with the Company.
  5. All staff of the Company inclusive of Managerial and Administration staff.
  6. Shareholders of the Company whose participation directly or indirectly in the capital of the member of the fund amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member Fund, as well as persons responsible for the carrying out of the financial audit of the member of the Fund as provided by the Law, such as qualified auditors.
  7. Investors having an enterprise connected with the Company and in general of the group of companies to which the Company belongs, positions or duties corresponding to the ones listed in paragraphs 5 and 6 above.
  8. Second-degree relatives and spouses of the persons listed in paragraphs 5, 6 and 7 as well as third parties acting for the account of these persons.
  9. Apart from investors convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 1996-2000, investor-clients of the Company responsible for facts pertaining to the Company that has caused its financial difficulties or has contributed to the worsening of its financial situation or which have profited from these facts.
  10. Investors in the form of a company which due to its size is not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State.

### **Procedure for the Payment of Compensation:**

The Fund will commence the compensation payment process upon one of the following situations:

- Issuance of a decision of the Cyprus Securities and Exchange Commission that the member of the Fund is unable to fulfill its obligations concerning client claims provided that the inability is a result of its financial circumstances which are not expected to improve in the near future;
- Issuance of decision by the court which, based on reasonable grounds related to the financial circumstances of the member of the Fund, with the effect that investors ability to lodge claims against it are suspended;
- A member of the Fund submits to the Fund or to the Cyprus Securities and Exchange Commission a written statement declaring its failure to fulfill its obligations towards its clients.

Upon issuance of a decision, the Fund publishes in at least three newspapers of national coverage an invitation to the covered clients to make their claims against the member of the Fund. The invitation will outline the procedure for submission of relevant applications, including the deadline for submission and the content of such applications.

**Amount of Compensation:**

The Company's books will be used together with supporting evidence to ascertain the claims of a member and the amount payable will be calculated in accordance with the legal and contractual terms governing the relation of the client with the member of the Fund subject to set-off rules. The calculation of compensation payable will derive from the sum of the total established claims of the covered client arising from all covered services provides, regardless of the number of accounts of which it is a beneficiary, the currency and the place of provision of these services. If the claim exceeds €20.000 then the claimant is only entitled to receive a maximum of the equivalent of €20.000.