

INVESTOR COMPENSATION FUND

NOTICE

UR Trade Fix Ltd

Previous Version Date:	November 2019
Current Version:	April 2020
Next Review Date:	April 2021

UR Trade Fix Ltd (“the Company”) is a member of the Investor Compensation Fund (“ICF” or the “Fund”), in accordance with Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (“the Law”) and the Directive DI87-07 of the Cyprus Securities and Exchange Commission for the operation of the Investors Compensation Fund (“the Directive”).

1. PURPOSE OF ICF

The purpose of the ICF is to secure the claims of covered clients (as defined in the Directive) against the Fund members through the payment of compensation, in case that the Company, due to its financial circumstances, is unable to meet its obligations arising out of investors' claims and has no early prospect of being able to do so.

The Fund covers claims arising due to a member’s failure:

- a) to repay the funds owed to covered clients or belonging to them and held on their behalf in connection with investment operations; or
- b) to return to covered clients any financial instruments belonging to them and held, managed or administered on their behalf in connection with investment operations

in accordance with the legal and contractual conditions applicable.

2. COVERED CLIENTS

The ICF covers only Retail Clients of the Company. It does not cover Professional Clients nor Eligible Counterparties.

3. NON-COVERED CLIENTS

Subject to the provisions of Paragraph 25 of the Directive, the Fund shall not compensate the following investor categories:

- a. The following categories of institutional and professional investors:
 - i. IFs;
 - ii. legal entities associated with the Fund member and generally belonging to the same group of companies;
 - iii. banks;
 - iv. cooperative credit institutions;
 - v. insurance companies;
 - vi. collective investment undertakings in transferable securities and their management companies;
 - vii. social insurance institutions and funds;
 - viii. investors characterized by the member as professionals upon their request, pursuant to the provisions of paragraph B of the Second Schedule of the Law.
- b. Supranational institutions, government and central administrative authorities.
- c. Provincial, regional, local and municipal authorities.
- d. Enterprises that have close ties with the Fund member as the term «close ties» is construed in Article 2(1) of the Law.
- e. Managerial and administrative staff of the Fund member.
- f. Shareholders of the Fund member whose participation directly or indirectly in the capital of the Fund member amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the Fund member as well as persons responsible for the carrying out of the financial audit of the Fund member as provided by the Law, such as its qualified auditors.

- g. Investors having in enterprises connected with the Fund member and, in general, with the group of companies to which the Fund member belongs, positions or duties corresponding to those listed in sub-paragraphs (5) and (6).
- h. Up to second-degree relatives and spouses of the persons listed in sub-paragraphs (5), (6) and (7), as well as third parties acting for the account of such persons.
- i. Investors-clients of a Fund member responsible for facts pertaining to the Fund member that have caused its financial difficulties or have contributed to the worsening of its financial situation or have profited from these facts.
- j. Other firms in the same group.
- k. 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.

In the cases of sub-paragraphs (5), (6), (7), (8), and 10 the Fund shall suspend the payment of compensation informing the interested parties accordingly until it reaches a final decision as to whether such cases apply.

4. COVERED SERVICES

ICF shall compensate any Cover Client of the Company in respect of a claim arising out of a Covered service, meaning any investment or ancillary service(s) provided at the time by the Company and presented at <https://www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/75306/>.

5. PROCEDURE

1. The Fund shall initiate the compensation payment procedure when:
 - (a) the Cyprus Securities and Exchange Commission (hereinafter “the Commission”) has determined that a member appears, for the time being, for reasons directly related to its financial circumstances, to be unable to meet its obligations arising out of investors' claims and has no early prospect of being able to do so.
 - (b) a Court of the Republic, has made a ruling, for reasons directly related to a member financial circumstances, which has the effect of suspending investors' ability to make claims against it.
2. The Commission shall issue its decision for the initiation of the compensation payment procedure by the Fund within a reasonable time, and publish the relevant information on its website.
3. Upon initiation of the compensation payment procedure, the Fund shall publish as soon as possible in at least two national newspapers, an invitation to submit applications for compensation, designating the procedure for the submission of the relevant applications, the deadline for their submission as well as their content as defined specifically in this Part.
4. The publication provided above shall include at least:
 - a. the name and address of the headquarters and the trade name of the involved Fund member;
 - b. the deadline for the submission of the compensation applications, which cannot be less than five months or more than nine months from the date of initiation of the compensation payment procedure, or from the date of its publication;
 - c. the mode of submission of applications; and
 - d. the address and/or website through which covered clients may obtain the relevant claim form provided by the Fund, as provided for in Paragraph 22 of the Directive.

5. The said publication shall be communicated immediately to the Commission, which shall post the publication on its website.
6. The Fund shall issue a claim form setting out the information and supporting evidence required in order to evaluate the claims of covered investors. Without prejudice to this, the Fund may request additional information where deemed necessary.
7. The Fund may record and assess the submitted claims, either internally or by designating at least one expert in capital market issues and at least one lawyer with knowledge on capital market issues, who after initially reviewing the “compensation payment conditions” as described below, shall evaluate the said applications and recommend to the Administrative Committee their acceptance or rejection, in whole or in part.
8. The Administrative Committee shall examine the applications before it and decide whether the compensation payment conditions are fulfilled or not.
9. The Administrative Committee shall reject the application if the claimant has used false or misleading means in order to secure the payment of the compensation. When examining the applications, the Administrative Committee shall take into account the recommendations of the persons of Paragraph 7.
10. Upon completion of the procedure before the Administrative Committee, the Fund shall:
 - a. issue a decision listing the clients of the Fund member, determining the amount of money each one of them is entitled to receive, and communicate it to the Commission and the Fund member within five working days from its issue. The said decision shall also list those clients to whom no compensation shall be paid, and the reasons for this.
 - (b) communicate to each affected client its decision the soonest possible from its issue.

The claimant to whom the Fund communicates its decision, may, in case of disagreement, submit an objection in writing to the Commission, within one month from the date on which the decision was notified, justifying its objection sufficiently. The objection shall be submitted at info@cysec.gov.cy and entitled “Objection to the decision of the ICF”.

6. COMPENSATION PAYMENT CONDITIONS

The payment of compensation by the Fund shall entail the following:

- a. the initiation of the compensation payment procedure;
- b. the existence of a valid claim by a covered client against the Fund member, which derives from an investment operation;
- c. the submission of an application form as prescribed in the Directive;
- d. That the claims do not arise from transactions for which there has been a criminal conviction for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law of 2007
- e. There are no pending criminal proceedings against the said covered client for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law of 2007,;
- f. The right of a covered client has not been extinguished under the Limitation of Offenses Act.

7. AMOUNT OF COMPENSATION

- a. The amount of the claim of a covered client shall be calculated based on legal and contractual conditions, in particular those relating to offsetting and counterclaims, that are applicable to the assessment on the date of the initiation of the compensation payment procedure, of the amount of the funds or value determined with reference to the market value, where possible, of the financial instruments belonging to the covered client and which such funds or instruments, the Fund member fails to repay or return, respectively.
- b. The calculation of the compensation payable shall arise from the sum of the total established claims of the covered client against the Fund member, arising from all covered services provided by the member and regardless of the number of accounts of which it is the beneficiary, the currency and place where such services are provided within the European Union.
- c. The Fund shall provide coverage for the claims referred to in Paragraph 19 of the Directive, which applies for the total claims of the covered client against a Fund member and shall be defined as the lower of 90% of the cumulative covered claims of the covered client and €20.000.
- d. In the case of joint investment business:
 - (i) in the calculation of the coverage provided for in subparagraph (b), the share attributable to each covered investor shall be taken into account;
 - (ii) the claims shall be allocated equally amongst covered investors, unless there exist special provisions, and without prejudice to point (iii), each investor is provided with separate coverage pursuant to the provisions of subparagraph (b);
 - (iii) claims relating to joint investment business to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, which has no legal personality, shall, for the purpose of calculating the coverage provided for in subparagraph (a), be aggregated and treated as if arising from an investment made by a single investor.
- e. Where a covered client is not the ultimate beneficiary of the funds or financial instruments held by the member:
 - i. compensation shall be paid to the ultimate beneficiary if his identity is or may be established prior to the date of the determination or ruling referred to in paragraph 18(1) of the Directive.
 - ii. if the ultimate beneficiaries are more than one, in the calculation of the coverage provided for, the share attributable to each one of them according to the arrangements regulating the management of the funds or financial instruments shall be taken into account.

This section shall not apply to undertakings for collective investments.

- f. Compensation shall be paid in Euro, and, where the funds and/or financial instruments are expressed in a currency other than the Euro, the exchange reference rate of the said currency against the Euro fixed by the European Central Bank at the end of the day on which the compensation payment procedure was activated, shall be used.