



INVESTOR COMPENSATION FUND

***Risk Warning:** CFDs are complex instruments and come with high risk of losing money rapidly due to leverage. 89% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.*

CONTENT

| | |
|-------------------------------------|---|
| 1. INTRODUCTION..... | 3 |
| 2. INVESTOR COMPENSATION FUND | 3 |
| 3. AMOUNT OF COMPENSATION | 5 |

1. INTRODUCTION

UBK Markets Ltd is incorporated in the Republic of Cyprus with Registration Number HE 293861. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (“CySEC”), with license No. 186/12, and registered office located at 67, Spyrou Kyprianou Avenue, Kyriakides Business Center, 2nd Floor, 4003 Limassol.

The Company is operating under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (the “Markets in Financial Instruments Directive (2014/65/EU)” or “MiFID II”) and amending Directive 2002/92/EC and Directive 2011/61/EU, as last amended by Directive (EU) 2016/1034 of the European Parliament and of the Council, of 23 June 2016 and under Regulation (EU) No. 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 (the “MiFIR”) which was implemented in Cyprus by the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), which provide for the provision of Investment Services, the exercise of Investment Activities, the operation of Regulated Markets and other related matters (the “Investment Services and Activities and Regulated Markets Law”), as the same may be modified and amended from time to time.

As per the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), UBK Markets Ltd is required to classify Customers into one of the three categories: Retail Customer, Professional Customer, Eligible counterparty.

2. INVESTOR COMPENSATION FUND

Pursuant to the Article 15 of Investment Services and Activities and Regulated Markets Law of 2017 (the “Law”) and DIRECTIVE DI87-07, the Company is a member of the Investor Compensation Fund (“ICF”) and the obligations of the ICF are governed by the provisions of the said Directive of the Cyprus Securities and Exchange Commission for the Continuance of Operation of the CIF Investor Compensation Fund (the “Directive”).

The Fund was established under the Investment Firms (IF) Law 2002 as amended (hereinafter called “the Law”) and the Establishment and Operation of an Investor Compensation Fund for Customers of CIFs Regulations of 2004 (hereinafter called “the Regulations”) which were issued under the Law.

The objective of the Fund is to secure any claims of covered Customers against members of the Fund and the main essence of the Fund is to compensate covered Customers for any claims arising from the malfunction by a member of the Fund to fulfill its obligations despite whether that obligation arises from legislation, the Customer Agreement or from wrongdoing on the part of the member of the Fund.

As per the Investment Services and Activities and Regulated Markets Law of 2017 (Law 144(I)/2017), UBK Markets Ltd (the “Company”) is a member of the Investor Compensation Fund (the ICF). The ICF secures the claims of covered Customers against members of the ICF who are unable to fulfill their obligations.

The ICF shall compensate covered Customers for covered services where a member is unable, due to its financial circumstances, to:

***Risk Warning:** CFDs are complex instruments and come with high risk of losing money rapidly due to leverage. 89% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.*

Investor Compensation Fund

- return to its covered Customers funds owed to them or funds which belong to them but are held by it, directly or indirectly, in the context of the provision of covered services, and which the Customers requested it to return in exercising their relevant right; or
- hand over to the covered Customers financial instruments which belong to them and which it holds, manages or keeps on their account, including circumstances where it is responsible for the administrative management of the said financial instruments.

Covered Customers are all Customers of a member of the ICF, unless they belong to any of the following categories:

1. Institutional and professional investors:

- IFs;
- legal entities associated with the member of the Fund and, in general, belonging to the same group of companies;
- banks;
- cooperative credit institutions;
- insurance companies;
- collective investment organizations in transferable securities and their management companies;
- social insurance institutions and funds;
- 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 member.

5. Executive and managerial officers of the member.

6. Shareholders of the member holding, directly or indirectly, at least 5% of its share capital, or its partners who are personally liable for its obligations, as well as persons responsible for the carrying out of the financial audit of the member, such as its qualified auditors.

7. Persons having positions or duties corresponding to points v and vi above, in an enterprise connected with the member and in general to the group of companies to which the member belongs.

8. Up to and including second degree relatives and spouses of persons listed in points v, vi and vii, as well as third parties acting on behalf of these persons.

9. Persons, other than those convicted of a criminal offence under the Prevention and Suppression of Money Laundering Activities Laws, responsible for events which have caused financial difficulties to the member or which have contributed to the aggravation of its financial situation, or persons who have benefited from such events.

10. Corporate Customers which, due to their size, are not allowed to draw a summary balance sheet.

***Risk Warning:** CFDs are complex instruments and come with high risk of losing money rapidly due to leverage. 89% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.*

Covered services are the investment and ancillary services offered by the member, as these are listed on its authorization.

3. AMOUNT OF COMPENSATION

The Company's books will be used together with supporting evidence to ascertain the claims of member and the amount payable will be calculated in accordance with the legal and contractual terms governing the relation of the Customer 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 Customer arising from all covered services provided, despite 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.

The investment firm providing services to its Customers through the branch situated in a third country, the amount of maximum compensation payable to the Customers of the said branch comes up, per Customer, to the lump sum paid by any investor compensation scheme in operation in the third country, without however the amount exceeding the amount of €20,000.