



Investors Compensation Fund Policy

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Vistabrokers CIF Ltd (hereinafter referred to as “**the Company**”, “**we**”, “**us**” or “**our**”) is a member of the Investor Compensation Fund (hereafter the “**Fund**”) for Customers of Cypriot Investment Firms (**CIFs**) and other Investment Firms (**IFs**) which are not credit institutions.

The Company is an investment firm that is established in the Republic of Cyprus and is authorized by the Cyprus Securities and Exchange Commission (the “CySEC” or the “Commission”) pursuant to the Law 87(I)/2017, to provide one or more investment services to third parties and/ or perform one or more investment activities in accordance with its Cyprus Investment Firm (“CIF”) authorization under CIF Number 190/13.

Purpose of the Fund

The purpose of the ICF is to secure the claims of the covered clients against the Company through the payment of compensation.

Legal and Regulatory Framework

- Law 87(I)/2017 (hereinafter referred to as the Law)
- Directive DI87-07 for the operation of the ICF as amended.

Scope

The Fund constitutes a private law legal entity and its administration is exercised by an Administrative Committee of five members, who are designated for a three-year term. The object of the Fund is to secure the claims of the covered clients against the members of the Fund by the payment of compensation for their claims arising from the covered services provided by its members, so long as failure by the member to fulfil its obligations has been ascertained.

It is a legal obligation for Cyprus Investment Firms (“CIFs”) and other Investment Firms (“IFs”), which are not banks, to subscribe to the Fund Scheme as required by the applicable Laws and Regulations.

Any compensation provided to clients by the Investor Compensation Fund shall not exceed EUR 20.000. This applies to clients’ aggregate claims against the Company.

1. Covered Clients

1.1. The Fund covers the clients of the Company, except those belonging into the

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following categories:

- a. The institutional and professional investors including, but not limited to the below:
 - i. Investment Firms;
 - ii. Banks;
 - iii. Cooperative credit institutions;
 - iv. Insurance companies;
 - v. Collective investment organizations in transferable securities and their management companies;
 - vi. Social insurance institutions and funds;
 - vii. Investors characterized by the member as professionals, upon their request;
 - viii. Legal entities associated with the member of the Fund and, in general, belonging to the same group of companies;
- b. Supranational institutions, government and central administrative;
- c. Provincial, regional, local and municipal authorities;
- d. Enterprises associated with the member of the Fund;
- e. Managerial and administrative staff of the member of the Fund;
- f. Shareholders of the member of the Fund, 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 of the Fund, as well as persons responsible for the carrying out of the financial audit of the member of the Fund, such as its qualified auditors;
- g. Investors having in enterprises connected with the member of the Fund and, in general, of the group of companies, to which the member of the Fund belongs, positions or duties corresponding to the ones listed in paragraphs (e) and (f).
- h. Up to second-degree relatives and spouses of the persons listed in paragraphs (e), (f) and (g), as well as third parties acting for the account of these 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 paragraphs (e), (f), (g) and (j), the Fund may suspend the payment of compensation by informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

2. Covered Services

Covered services are the following investment services which are offered by the Company:

- Reception and transmission of orders in relation to one or more financial instruments;
- Execution of orders on behalf of clients;

According to the Service Agreement signed by the Customer, the Company may offer at its discretion the following ancillary services to the Customer:

- Safekeeping and administration of financial instruments;
- Granting of credit and loans to one or more financial instrument;
- Foreign exchange services where these are connected to the provision of investment services;
- Investment research and financial analysis or other forms.

3. Compensation of Covered Clients Formalities

Initiation of the Compensation Procedure

The Fund initiates the compensation payment procedure when:

- i. 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.
- ii. 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 male claims against it.

The CySEC 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.

Covered Claims

The Fund covers claims arising due to member's failure:

- i. To repay the funds owed to covered clients or belonging to them and held on their behalf in connection with investment operations; or
- ii. 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.

Procedure of invitation of covered clients to submit applications

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 Part V of Directive DI87-07.

The publication contains at least:

- i. the name and address of the headquarters and the trade name of the Company
- ii. the deadline for the submission of compensation applications, which cannot be less than five (5) months or more than nine months than nine (9) months from

- the date of initiation of the compensation payment procedure, or from the date of its publication;
- iii. the mode of submission of applications; and
 - iv. the address and/or website through which covered clients may obtain the relevant claim form provided by the Fund.

The publication is immediately communicated to the Commission, which posts the publication on its website.

Fund may, in exceptional and justified cases, with an announcement, may extend the deadline for the submission of compensation applications up to three (3) months upon Commission's approval. The Fund's announcement is published in at least two national newspapers, and the Commission publishes it on its website.

Late submission of applications

In case a covered client was not in a position to submit the application within the deadline, the deadline mentioned in the previous paragraph shall not apply thereto, if conditions occurred that prevented the observance of the deadline for the submission of a compensation application of for the collection and submission of the information required.

A covered client submitting a compensation application after the deadline, shall submit, in addition to the information forming the content of the application, a declaration explaining the reason, if any, for which he was not in a position to claim compensation in time, attaching all supporting evidence to that end.

Claim Application Form

The Fund issues a claim form setting out the information and supporting evidence required in order to evaluate the claims of covered investors. The Fund may request additional information where deemed necessary.

Procedure relating to the recording and evaluation of claims

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 markets issues, who after initially reviewing the payment compensation conditions shall evaluate the said applications and recommend to the Administrative Committee their acceptance or rejection, in whole or in part.

In case of disagreement between the expert in capital markets issues and the lawyer with knowledge on capital market issues, each of them submits a separate recommendation.

The expert in capital markets issues and the lawyer with knowledge on capital market issues:

- i. Request from the Company to express a justified opinion on the grounds of the claims alleged by the claimants, within a specific time limit, in order to evaluate the application.
- ii. Proceed with the evaluation of the applications in case the Company does not submit its justified opinion on time.
- iii. Determine the amount of the compensation for each claimant

The expert and the lawyer mentioned above have full access to the records of the Company for which the Fund has been activated in order to carry out their work.

Compensation payment conditions

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

- i. The initiation of the compensation payment procedure;
- ii. The existence of a valid claim by a covered client against the Company, which derives from an investment operation;
- iii. The submission of an application form as prescribed in the Directive DI87-07
- iv. That the claims do not arise from transactions for which there has been a criminal conviction for money laundering;
- v. There are no pending criminal proceedings against the covered client for money laundering;
- vi. The right of a covered client has not been extinguished under the Limitation of Offenses Act.

Determination of the amount of the compensation payable

The calculation of the compensation payable arises from the sum of the total established claims of the covered client against the Company, emerging 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.

The Fund provides coverage for the claims, which applies for the total claims of the covered client against the Company and shall be defined as the lower of 90% of the cumulative covered claims of the covered client and €20.000.

In the case of investment business carried out for the account of two or more persons or over which two or more persons have rights that may be exercised by means of the signature of one or more of those persons (“joint investment business”):

- i. The share attributable to each covered investor is taken into account in the calculation of the abovementioned coverage;
- ii. The claims are allocated equally amongst covered investors, unless there exist special provisions, each investor is provided with separate coverage;
- 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 mentioned above, be aggregated and treated as if arising from an investment made by a single investor.

In the case the covered client is not the ultimate beneficiary of the funds or financial instruments held by the Company:

- i. A compensation shall be paid to the ultimate beneficiary if his identity is or may be established prior the date of the determination of ruling.
- 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 are taken into account.

The compensation is paid in Euro. Where the funds and/or the financial instruments are expressed in a currency other than Euro, it is use the exchange reference date of the said currency against the Euro fixed by the European Central Bank at the end of the day in which the compensation payment procedure was activated.

Decision of the Administrative Committee on submitted applications

The Administrative Committee examines the applications beforehand and decides whether the compensation payment conditions are fulfilled or not.

When examining the applications, the Administrative Committee takes into account the recommendation of the expert in capital market issues and of the lawyer with knowledge on capital market issues.

The Administrative Committee rejects the application if the claimant has used false or misleading means in order to secure the payment of the compensation.

Unjustifiably paid compensation

The Fund may at any time require the covered client to return the compensation paid to it if it subsequently establishes that there has been a reason for the rejection of the application in accordance with the Directive DI87-07.

Announcement of Fund's decision

Upon completion of the procedure before the Administrative Committee, the Fund:

- i. Issues a decision listing the clients of the Company, determining the amount of money each one of them is entitled to receive, and communicate it to the Commission and the Company within five (5) working days from its issue;

The decision lists also those clients to whom no compensation shall be paid, and the reasons for this.

- ii. Communicates 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*".

The Commission in the context of examining an objection may:

- Request from the Fund, and/or the Company and/or the claimant to submit information and particulars;
- Conduct an investigation.

The Commission must conclude the examination of the objection within forty-five (45) days and in case that identifies an error in the evaluation carried out by the Fund, it shall request in writing from the Fund to immediately rectify the mistake and pay the claimant the correct amount, and inform the affected client accordingly.

Deadline and procedure relating to the payment of compensation

The Fund shall pay to each covered client/claimant the compensation that he is entitled to, within three (3) months from sending to CySEC the minutes with the compensation beneficiaries.

The payment of the compensation by the Fund is deposited to a bank account of the covered client-claimant designated by the latter in writing via the claim application form.

In extraordinary and justified circumstances, the Fund may request from the Commission an extension of the three (3) months deadline.

Effects of payment of compensation

The payment of any compensation by the Fund entails *ipso jure* subrogation of the Fund to the rights of the compensated covered client/claimant against the member of the Fund during the liquidation procedure of the said member for an amount equal to the compensation payable to it.

4. Policy Review

The Company reserves the right to review and/or amend this Policy at its sole discretion, whenever it deems fit or appropriate by law, and the revised Policy will be uploaded on the Company's Website.

Your continued use of our services, following any notification of such amendments, constitutes your acknowledgement and consent to such amendments to this Policy and your agreement to be bound by terms of such amendments.

