

Investors Compensation Fund

Fx Primus Europe (CY) Ltd is a Cypriot Investment Firm ("CIF") registered with the Registrar of Companies in Nicosia under number: HE 337614 and regulated by the Cyprus Securities & Exchange Commission ("CySEC") under license number No. CIF 216/14 (hereinafter called the "Company").

The Company is operating under Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as the same may be in force from time to time and modified or amended from time to time (the "Markets in Financial Instruments Directive (2004/39/EC)" or "MiFID").

Pursuant to section 17 of the Investment Services and Activities and Regulated Markets Law of 2007 (the Law), "A Cypriot Investment Firm (CIF) must be a member of the Investment Compensation Fund ('ICF)". According to section 58 of the Law, a CIF is not allowed to provide investment services without participating in the Investors Compensation Funds.

The main objective of the Fund is to secure the claims of the clients of regulated 'CIFs' and 'IFS' that are members of the Fund ("Fund Members") against Fund Members, through the payment of compensation, in cases where Fund Members are unable, due to their financial circumstances, and when no realistic prospect of improvement of such circumstances in the near future seems possible: (a) to return to their clients the funds owed to such clients, or the funds that belong to such clients, but which are, directly or indirectly, held by a Fund Member in the context of providing investment services to the said clients; or (b) to hand over to such clients the financial instruments, which belong to such clients and by which Fund Members hold, manage or keep on their account, including the instances where a Fund Member is responsible for the administrative management of the said financial instruments. The objective of the Fund is, therefore, to secure any claims of covered clients against Fund Members and the main essence of the Fund is to compensate covered clients for any claims arising from the malfunction by Fund Members to fulfill their 'obligations', regardless of whether such obligation(s) result(s) from applicable provisions of law, the client agreement or from wrongdoing on the part of the Fund Member.

As indicated above, for purposes of the protection mechanisms offered by the Fund, failure of a Fund Member to execute its 'obligations' consists of the following:

1. Failure to return to a covered client funds owed to such client or funds which belong to such client, but are held by Fund Member, directly or indirectly, in the framework of the provision of covered services by the Fund Member to the client and which the client has requested that they be returned to the client by the Fund Member; or
2. Failure to return to a covered client financial instruments that belong to such client and which a Fund Member holds, manages or keeps on its account, including the case where the Fund Member is responsible for the administrative management of the said financial instruments.

The Company's clients have the risk of losing their assets, which are held by third parties, especially in case of their insolvency and in case the third parties are not covered by any investor compensation system and/or other insurance cover.

The ICF

In accordance to Section 60 of the Law, the management of the ICF, which includes their administration and representation, is exercised by an Administrative Committee consisting of five members, who must be of acknowledged authority and morals and have the necessary knowledge on financial or accounting or bank issues or issues of the capital market to discharge their duty.

Covered Services

Covered Services are the investment services listed on the Company's license (License No. CIF 216/14) issued by the Cyprus Securities and Exchange Commission.

Covered Clients

The Company's Clients are all protected except clients listed under the following categories:

1. Credit Institutions;
2. IFs;
3. Other authorized or regulated financial institutions;
4. Insurance undertakings;
5. Collective investment schemes and management companies of such schemes;
6. Pension funds and management companies of such funds;
7. Commodity and commodity derivatives dealers;
8. Other institutional investors;
9. Large undertakings meeting TWO of the following size requirements, on a proportional basis:
 - Balance sheet total at least 20 000 000 euro
 - Net turnover at least 40 000 000 euro
 - Own funds at least 2 000 000 euro
10. National and regional governments , public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations
11. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions;
12. Administrative officers and directors of Ifs and persons closely linked
13. Undertakings connected to any IF which has become insolvent.

Procedure for decision to commence the compensation payment process

The Fund will commence the compensation payment process in at least one of the following circumstances:

1. The Cyprus Securities and Exchange Commission has determined by Resolution that a member of the Fund is unable to meet client claims provided that this inability is a result from its financial circumstances that show no prospect of improving in the near future; or

2. A judicial authority has on reasonable grounds directly related to the financial circumstances of the member issued a ruling with the effect that an investor's ability to lodge claims against it are suspended or that a well-founded claim by a client exists then the compensation payment procedure will commence

Upon issuing a decision to initiate the compensation payment process, the Cyprus Securities and Exchange Commission will publish, in at least three national newspapers, an invitation to the covered clients to make their claims. In that invitation a procedure for submission of the relevant applications, a deadline for submission and the content will be outlined.

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 provided, 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.