

INVESTOR COMPENSATION FUND PROTECTION STATEMENT

Original Issue Date:	September 2012
Approver(s):	Board of Directors
Owner(s):	TTCM TRADERS TRUST CAPITAL MARKETS LIMITED
Contact Person:	Chief Executive Officer
Classification:	Investor Compensation Fund Protection statement
Operational Applicability:	All personnel & Clients
Last Revision Date:	January 2018
Last Reviewed Date:	January 2018
Next Review Date:	December 2018
Version:	8
Other Languages:	N/A

'TTCM Traders Trust Capital Markets Limited', is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. 'TTCM Traders Trust Capital Markets Limited' is regulated as a Cyprus Investment Firm ('CIF') by the Cyprus Securities and Exchange Commission ('CySEC') under license number 107/09. 'TTCM Traders Trust Capital Markets Limited' operates in accordance with the Markets in Financial Instruments Directive ('MiFID II') of the European Union.

TABLE OF CONTENTS

SUBJECT	PAGE
1. INTRODUCTION	3
2. PROTECTION OFFERED BY THE FUND	4
3. COVERED SERVICES	4
4. COVERED CLIENTS	4
5. PROCEDURE FOR DECISION TO COMMENCE THE COMPENSATION PAYMENT PROCESS	6
6. AMOUNT OF COMPENSATION	6

'TTCM Traders Trust Capital Markets Limited', is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. 'TTCM Traders Trust Capital Markets Limited' is regulated as a Cyprus Investment Firm ('CIF') by the Cyprus Securities and Exchange Commission ('CySEC') under license number 107/09. 'TTCM Traders Trust Capital Markets Limited' operates in accordance with the Markets in Financial Instruments Directive ('MiFID II') of the European Union.

INVESTOR COMPENSATION FUND PROTECTION STATEMENT

1. INTRODUCTION

- 1.1. **'TTCM Traders Trust Capital Markets Limited'**, is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591 (the "**Company**"). The Company is regulated as a Cyprus Investment Firm (**'CIF'**) by the Cyprus Securities and Exchange Commission (**'CySEC'**) under license number 107/09.
- 1.2. 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..
- 1.3. In accordance with the provisions of the *Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017)* (the "**Law**"), which implements MiFID II in Cyprus, the Company is a member of the "**Investor Compensation Fund**" for Clients of Cypriot Investment Firms ("**CIFs**") and other Investment Firms ("**IFs**") which are not credit institutions (hereinafter called the "**Fund**").
- 1.4. 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

'TTCM Traders Trust Capital Markets Limited', is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. **'TTCM Traders Trust Capital Markets Limited'** is regulated as a Cyprus Investment Firm (**'CIF'**) by the Cyprus Securities and Exchange Commission (**'CySEC'**) under license number 107/09. **'TTCM Traders Trust Capital Markets Limited'** operates in accordance with the Markets in Financial Instruments Directive (**'MiFID II'**) of the European Union.

where a Fund Member is responsible for the administrative management of the said Financial Instruments.

- 1.5. 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 fulfil 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.

2. PROTECTION OFFERED BY THE FUND

- 2.1. 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:
- a. Failure to return to a covered Client (i) funds owed to such Client, or (ii) 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
 - b. 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.
- 2.2. The Company’s Clients may be at risk of losing assets that are held on their behalf by third parties, especially where such third parties become insolvent and where such third parties are not covered by any investor compensation system and/or other insurance cover.

3. COVERED SERVICES

- 3.1. Covered Services are the investment services that are listed on the Company’s licence (License No. CIF 53/11) issued by the Cyprus Securities and Exchange Commission (“**CySEC**”).

4. COVERED CLIENTS

- 4.1. In principle, all of the Company’s Clients are covered by the Fund under the investment compensation protection scheme, unless they fall into the following categories:
- a. Institutional and professional investors, including (without limitation):

‘**TTCM Traders Trust Capital Markets Limited**’, is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. ‘TTCM Traders Trust Capital Markets Limited’ is regulated as a Cyprus Investment Firm (‘*CIF*’) by the Cyprus Securities and Exchange Commission (‘*CySEC*’) under license number 107/09. ‘TTCM Traders Trust Capital Markets Limited’ operates in accordance with the Markets in Financial Instruments Directive (‘*MiFID II*’) of the European Union.

- i. Investment firms;
 - ii. Entities associated with the Company and, in general, belonging to the same group of companies;
 - iii. Banks;
 - iv. Cooperative credit institutions;
 - v. Insurance companies;
 - vi. Collective investment organisations in transferable securities and their management companies;
 - vii. Social insurance institutions and funds;
 - viii. Investors characterised by the Company as 'Professional Clients';
- b. States and international organizations;
 - c. Central, federal, confederate, regional and local administrative authorities;
 - d. Enterprises associated with the Company;
 - e. All staff of the Company, inclusive of Managerial and Administration staff;
 - f. Shareholders of the Company whose participation in the capital of the Company (as a member of the Fund), directly or indirectly, amounts to at least 5% of the Company's share capital, or its partners who are personally liable for the obligations of the Company, as well as persons responsible for the carrying out of the financial audit of the Company, as provided by law, such as qualified and statutory auditors;
 - g. Investors having an enterprise connected with the Company and in belonging to the group of companies to which the Company belongs, positions or duties corresponding to the ones listed in paragraphs e. and f. above;
 - h. Second-degree relatives and spouses of the persons listed in paragraphs e., f. and g. above, as well as third parties acting for the account of these persons;

'TTCM Traders Trust Capital Markets Limited', is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. 'TTCM Traders Trust Capital Markets Limited' is regulated as a Cyprus Investment Firm ('CIF') by the Cyprus Securities and Exchange Commission ('CySEC') under license number 107/09. 'TTCM Traders Trust Capital Markets Limited' operates in accordance with the Markets in Financial Instruments Directive ('MIFID II') of the European Union.

- i. Apart from investors convicted of a criminal offence, pursuant to the *Cyprus Prevention and Suppression of Money Laundering Activities Law of 1996 - 2000*, Investors-Clients of the Company responsible for facts pertaining to the Company, whom have caused its financial difficulties or have contributed to the worsening of its financial situation or whom have profited from these facts; and/or,
- j. Investors that have are organized in the form of a company, which, due to its size, is not allowed to draw a summary balance sheet in accordance with the Cyprus Companies Law or a corresponding law of an EU Member State.

5. PROCEDURE FOR DECISION TO COMMENCE THE COMPENSATION PAYMENT PROCESS

5.1. The Fund will commence the compensation payment process in those instances where at least one of the following circumstances is present:

- a. The Cyprus Securities and Exchange Commission ("**CySEC**") has determined by Resolution that a Fund Member 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
- b. A judicial authority has on reasonable grounds directly related to the financial circumstances of the Fund Member, issued a ruling to the effect that that an investor's ability to lodge claims against such Fund Member are suspended or that a well-founded claim by a covered Client;

5.2. Upon issuing a decision to initiate the compensation payment process, the Cyprus Securities and Exchange Commission ("**CySEC**") will publish, in at least three national newspapers in Cyprus, an invitation to the covered Clients to make their claims known. In that invitation, a procedure for submission of any relevant claims, a deadline for submission and the required content for the application will be outlined.

6. AMOUNT OF COMPENSATION

6.1. The Fund Member's books will be used, together with supporting evidence, to ascertain the claims against a Fund Member and the amount payable will be calculated in accordance with the legal and contractual terms governing the relation of the Client with the Fund Member subject to set-off rules.

6.2. The calculation of compensation payable will be derived from the sum of the total of all established claims of the covered Client arising from all covered services provided by the Fund Member, regardless of the number of accounts of which the claimant is a beneficiary, the currency and the place of provision

'TTCM Traders Trust Capital Markets Limited', is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. 'TTCM Traders Trust Capital Markets Limited' is regulated as a Cyprus Investment Firm ('CIF') by the Cyprus Securities and Exchange Commission ('CySEC') under license number 107/09. 'TTCM Traders Trust Capital Markets Limited' operates in accordance with the Markets in Financial Instruments Directive ('MiFID II') of the European Union.

of these services. If the claim exceeds €20,000 then the claimant is only entitled to receive a maximum amount in compensation that is equivalent to €20,000.

- 6.3. Should you have a question about the Investor Compensation Fund protection scheme, please direct your questions to our Compliance Department: compliance@traders-trust.com.

'TTCM Traders Trust Capital Markets Limited', is a Cyprus Investment Firm incorporated under the laws of Cyprus, which has its principal place of business at 56 Theodorou Potamianou, 4th Floor, Complex Aphrodite, 4155 K. Polemidia, Limassol, Cyprus, and registered with the Registrar of Companies in Nicosia under number: HE 250591. 'TTCM Traders Trust Capital Markets Limited' is regulated as a Cyprus Investment Firm ('CIF') by the Cyprus Securities and Exchange Commission ('CySEC') under license number 107/09. 'TTCM Traders Trust Capital Markets Limited' operates in accordance with the Markets in Financial Instruments Directive ('MiFID II') of the European Union.