

ECOMMBX
INVESTMENTS LTD

**INVESTORS COMPENSATION
FUND**

REVISION HISTORY

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1. DEFINITIONS AND ABBREVIATIONS

DEFINITION / TERM	DESCRIPTION
“Administrative Committee” or the “Committee”	is a five-member committee which is responsible for the administration of the Investors Compensation Fund, as per paragraph 2 of Directive DI87-08. It exercises all the powers and duties determined by the said Directive, represents the Fund in and out of court, while it is competent to decide for every act pertaining to its administration, management of its property and the general pursuit of its object, subject to the provisions of the Law (as defined below) and Directive DI87-08
“CIF” or “IF”	Cyprus Investment Firm or Investment Firm
“Closed ties”	A situation in which two or more natural or legal persons are linked by: <ul style="list-style-type: none"> • participation which means the ownership, direct or by way of control, of at least 20% of the voting rights or capital of an undertaking • control which means the relationship between a parent undertaking and a subsidiary, or a similar relationship between any natural or legal person and an undertaking, any subsidiary of a subsidiary undertaking also being considered a subsidiary of the parent undertaking which is at the head of those undertakings • a permanent link of both or all of them to the same person by a control relationship
“Company” or “CIF” “Us”	ECOMMBX Investments Limited
“Covered Customers”	All Customers of the Company, except those who are defined as “Non-Covered Customers” in Section 6 of the present Policy
“Customer”	A person, whether legal or natural, which aims to or already holds an account with the Company
“CySEC”	Cyprus Securities and Exchange Commission
“Directive”	CySEC’s Directive DI87-07 for the operation of the Investors Compensation Fund as amended from time to time
“EU Directive”	Directive 97/9/EC of the European Parliament and of the Council on investor compensation schemes
“ICF”	Investor Compensation Fund
“Law”	Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2008) as amended from time to time
“MiFID II”	European Parliament Markets in Financial Instrument Directive II (2014/65/EU)
“Non-Covered Customers”	Any Customer that falls under the definition according to Section 6 of the present document

2. INTRODUCTION

ECOMMBX Investments Limited (the “Company” or the “Firm”), is a member of the Investors Compensation Fund (“ICF” or “the Fund”), pursuant to the provisions of the Investment Services and Activities and Regulated Markets Law of 2007 (Law 87(I)/2017), as amended from time to time (the “Law”), as well as the Directive 97/9/EC of the European Parliament and of the Council on investor compensation schemes, (hereinafter the “EU Directive”).

The Fund has been established pursuant to the provisions of the Law, the EU Directive, as well as Directive DI87-07 of the Cyprus Securities and Exchange Commission (“CySEC”) for the operation of the Investors Compensation Fund, (hereinafter the “Directive”), which sets the rules, the powers and functions of the Fund, and the requirements which shall be followed by the Company.

The objective of the Fund is to secure the claims of the “Covered Customers” arising from the “Covered Services” offered by the Company (or any other CIF which is a member of the Fund), as these are defined in the present Policy, through the payment of compensation, if the conditions for payment have been fulfilled. More details with respect to the conditions which give rise to compensation can be found in the Section 5, titled “Covered Claims”, of the present Investors Compensation Fund Policy (herein the “Policy”).

The Company is a member of the Investor Compensation Fund since February 2014 and complies, at all times, with the provisions of the aforementioned Law, EU Directive and Directive.

3. SCOPE AND PURPOSE

The Policy applies to all “Covered Customers”, for claims arising out of the “Covered Services”, as both Covered Customers and Services are defined by the Law.

The purpose of the Policy is to provide adequate information to the Company’s Customers with respect to the cover provided by the Fund, the “Covered Customers”, the maximum amount of the compensation payable for the total of their claims, as well as the preconditions and formalities for the payment of the compensation.

4. APPLICATION OBJECTIVE

The objective of the ICF is to secure the claims of Covered Customers against the Company through the payment of compensation, provided that at least one of the following preconditions is fulfilled:

- (i) CySEC has determined that the Company, as a member of the Fund, appears, for the time being and for reasons directly related to its financial circumstances, to be unable to meet such of its obligations arising out of a Covered Customers’ claims and has no early prospect of being able to do so in the near future
- (ii) A court of the Republic of Cyprus has issued a ruling, based on reasonable grounds directly related to the Company’s financial circumstances, which has the effect of suspending the Customers’ ability to make claims against the Company

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.

The Fund shall proceed with the payment of the compensation only if the following conditions are met:

- A valid claim by a Covered Customer against the Company has been raised, which derives from an investment operation
- The full claim application and compensation payment procedure is followed in line with Section 7 of the present Policy
- 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
- No pending criminal proceedings, against the said Covered Customer, for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law of 2007, exist
- The right of Covered Customer(s) has not been extinguished under the Limitation of Offenses Act

5. COVERED SERVICES

Covered services are the Investment and Ancillary services that the Company has been authorised by CySEC to provide under License No. 228/14. More specifically:

Investment Services:

- (i) Reception and transmission of orders in relation to one or more financial instruments
- (ii) Execution of orders on behalf of customers
- (iii) Provision of investment advice

Ancillary Services:

- (i) Safekeeping and administration of financial instruments, including custodianship and related services
- (ii) Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- (iii) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- (iv) Foreign exchange services where these are connected to the provision of investment services
- (v) Investment research and financial analysis

6. COVERED CLAIMS

In accordance with the provisions of the Directive, the Fund covers claims arising due to the Company's failure, in accordance with the legal and contractual conditions applicable, to:

- (i) Repay the funds owed to the Covered Customers or belonging to them and held on their behalf in connection with investment operations
- (ii) Return to covered customers any financial instruments belonging to them and held, managed or administered on their behalf in connection with investment operations

The amount of the claim of a Covered Customer will be calculated based on (i) the amount of the funds or the market value, where possible, of the financial instruments belonging to the Covered Customer, and which such funds or instruments the Company fails to repay or return, and (ii) based on the legal and contractual conditions, in particular those related to offsetting and counterclaims applicable as part of the compensation payment procedure, as this is described in Section 7 of the present Policy, and upon the assessment of the claim.

7. NON-COVERED CUSTOMERS

For the purposes of the present Policy, non-covered Customers are the following:

- (i) Institutional and professional investors including:
 - Investment Firms ("IFs")
 - Legal entities associated with the Company and generally belonging to the same group of companies
 - Banks
 - Cooperative credit institution
 - Insurance Companies
 - Collective investment undertakings in transferable securities and their management companies
 - Social insurance institutions and funds
 - Investors characterised as professionals upon their request, pursuant to the provisions of Part II of the Second Appendix of the Law
- (ii) Supranational institutions, government and central administrative authorities
- (iii) Provincial, regional, local and municipal authorities
- (iv) Enterprises that have close ties with the Company
- (v) Managerial and administrative staff of the Company
- (vi) Shareholders of the Company whose participation directly or indirectly in the capital of the Company amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the Company, as well as persons responsible for carrying out the financial audit of the Company, such as its qualified auditors, as provided by the Law

- (vii)** Investors having in enterprises connected with the Company and, in general, with the group of companies to which the Company belongs to, positions or duties corresponding to those listed in points (5) and (6) above
- (viii)** Second degree relatives and spouses of the persons listed in points 5, 6 and 7 above, as well as third parties acting on behalf of these persons
- (ix)** Investors of the Company responsible for facts pertaining to the Company that have caused its financial difficulties or have contributed to the worsening of its financial situation or have profited from these facts
- (x)** Other firms of the same group
- (xi)** Investors in the form of an entity, 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

8. COMPENSATION CLAIM AND PAYMENT PROCESS

Following the consideration of the conditions set out in Section 3 of the present Policy, the Fund shall publish on its website and in at least two (2) national newspapers, an invitation to the Covered Customers to initiate their claims procedure against the Company, along with all relevant details, as soon as practicable. The publication is immediately posted on the CySEC's website as well. The procedure for the submission of the relevant applications, the deadline for their submission and their content will be designated in the invitation. The publication contains at least:

- The name and address of the Company's headquarters, as well as its trade name
- The deadline for the submission of the compensation applications, which cannot be less than five (5) months or greater than nine (9) months from the date of the initiation of the compensation payment procedure or from the date of its publication;
- The mode of submission of the applications
- The website and/or electronic and/or physical address at which Covered Customers may obtain the relevant claim form, provided by the Fund

The Fund issues a claim form setting out the information and supporting evidence required in order to evaluate the claims of Covered Customers. More information on the procedure on the submission of a claim and the form can be found here:

- Procedure
- Claim form

The Fund may ask for more information included in the compensation application, which it communicates with its publication and puts a catalogue with this information at the disposal of the investors, at its offices and or at the offices of the Company.

A Covered Customer who submits a compensation application late, i.e. after the deadline, is obliged to submit a declaration explaining the reason for which the Covered Customer was not in a position to claim compensation on time, attaching all supporting evidence to his/her claim, in addition to the information forming the necessary minimum content of the application.

In case a Covered Customer was not in a position to submit such application within the deadline, the deadline shall not apply thereof, if conditions occurred that prevented the adherence to the deadline for the submission of a compensation application or for the collection and submission of the information required.

Upon completion of the procedure above, the Fund shall:

- (i)** Issue a decision listing the Covered Customers of the Company entitled to compensation, the amount of money each of them is entitled to receive, communicating this to CySEC and the Company, within five (5) working days from its issue. The said decision shall also list those Covered Customers to whom no compensation shall be paid, and the reasons for this
- (ii)** Communicate to each affected Customer its decision the soonest possible from the decision's issue

The Administrative Committee (the "Committee") shall examine the applications before it, and decide whether the conditions set out in Section 3 of the present Policy are fulfilled or not. The Committee shall reject the application if the claimant has used false or misleading means in order to secure the payment of compensation.

The claimant to whom the Fund communicates its decision, may, in case of disagreement, submit an objection in writing to CySEC, 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 titled “Objection to the decision of the ICF”. CySEC may, in the context of examining an objection, conduct an investigation and request from the Fund and/or the Company and/or the claimant to submit information and particulars. The conclusion on any possible examination should be finalised within forty-five (45) days, while in case CySEC 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, informing the Covered Customer accordingly.

The Fund shall pay each Covered Customer/claimant the compensation that he/she is entitled to, within three (3) months from the date that the decision was communicated to the Covered Customer. The payment of the compensation by the Fund shall be deposited to a bank account of the Covered Customer, as designated by the said Customer in writing via the claim form submitted.

In extraordinary and justified circumstances, the Fund may request from the Commission an extension of the deadline for the purposes of the examination. The said extension cannot exceed three (3) months.

9. AMOUNT OF PAYABLE COMPENSATION

The Fund shall provide coverage for the claims equal to the total claims of the Covered Customer(s) against the Company, regardless of the number of accounts held by the Covered customer, the currency and the place of provision of the Covered Services, and this shall be defined as the lower of 90% of the cumulative Covered Claims of the Covered Customer(s) and €20.000. In the case of joint investment business:

- (i) In the calculation of the coverage, the share attributable to each Covered Customer shall be taken into account
- (ii) The claims shall be allocated equally amongst Covered Customers, unless there exist special provisions, and without prejudice to section (c) below, each Customer 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, be aggregated and treated as if arising from an investment made by a single Customer

Where a Covered Customer is not the ultimate beneficiary of the funds or financial instruments held by the Company:

- (i) Compensation shall be paid to the ultimate beneficiary if his/her identity is or may be established prior to the date of the determination
- (ii) if the ultimate beneficiaries are more than one, 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

The payable 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.