



**INVESTOR
COMPENSATION FUND**

INVESTOR COMPENSATION FUND

1. Scope of the Fund

Notesco Financial Services Limited (the “Company”), whose registered office is at 2, Iapetou street, Agios Athanasios, 4101, Limassol, Cyprus is authorised and regulated by Cyprus Securities and Exchange Commission (CySEC) under licence number 125/10.

The Company is a member of the Investor Compensation Fund (the “ICF”) for the Clients of the Cyprus Investment Firms (CIFs), under the provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017 (hereinafter the “Law”).

2. Purpose and Object of the Fund

2.1 The object of the Fund is to secure the claims of the covered clients against the members of the Fund (i.e. Notesco Financial Services Limited) 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 fulfill its obligations has been ascertained.

2.2 The term failure denotes the inability of the Company to:

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

3. Covered Services

Covered Services of the Company are the investment and ancillary services provided at the time by the Company as listed [here](#).

4. Covered Clients

ICF covers Retail Clients of the Company. It does not cover Professional Clients and Eligible Counterparties. For information please see paragraph 5 below.

5. Non- Covered Clients

5.1 The ICF covers the Clients of the Company, excluding those indicated below:

1. The following categories of institutional and professional investors:
 - a) Investment Firms,
 - b) Legal entities associated with the Company and, in general, belonging to the same group of companies,
 - c) Banks,
 - d) Cooperative credit institutions,
 - e) Insurance companies,
 - f) Collective investment organizations in transferable securities and their management companies,
 - g) Social insurance institutions and funds,
 - h) Investors characterized by the Company as professionals, upon their request.
2. States and supranational organizations.
3. Central, federal, confederate, regional and local administrative authorities.
4. Enterprises associated with the Company.
5. Managerial and administrative staff of the Company.
6. 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 the carrying out of the financial audit of the Company as provided by the Law, such as its qualified auditors.
7. Investors having enterprises connected with the Company and, in general, of the group of companies, to which the Company belongs, positions or duties corresponding to the ones listed in paragraphs 5 and 6 above.
8. Second-degree relatives and spouses of the persons listed in paragraphs 5, 6 and 7, as well as third parties acting for the account of these persons.
9. Investors-Clients of the Company who have been convicted of a criminal offence for the said transactions, pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007 and/or are responsible for facts pertaining to the Company that have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts.
10. 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.

5.2 In the cases of paragraphs 5, 6, 7 and 8, the ICF suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

5.3 ICF shall not pay compensation:

- a) In respect of claims arising out of transactions involving individuals convicted of a criminal offence for the said transactions, pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007.
- b) If there are pending criminal proceedings for the legalization of proceeds from illegal acts or activities under the provisions of the Prevention and Suppression of

the Legalization of Proceeds from Criminal Activities Law of 2007, as amended, until the completion of such proceedings.

The payment of compensation by the Fund to the clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund.

6. Compensation Payment Process

6.1 The ICF initiates the compensation payment procedure when at least one of the following preconditions is fulfilled:

- a) the Cyprus Securities and Exchange Commission (CYSEC) has determined by Resolution that the Company is unable to meet any of its duties arising from its investors-clients claims, in connection with the covered services it has provided, as long as such inability is directly related to the Company's financial position which has no realistic prospect of improvement in the near future, or
- b) a judicial authority has on reasonable grounds, directly related to the financial position of the Company, made a ruling which has the effect of suspending the clients' ability to lodge claims against the Company.

6.2 Upon issuance of a decision by the Cyprus Securities and Exchange Commission (CySEC) or by the Court, ICF publishes in at least three national newspapers an invitation to the Covered Clients to make their claims against the Company. The invitation shall specify the procedure, manner, deadline and content with regards to the submission of the compensation application.

6.3 The compensation applications of Covered Clients with which they make their claims against the Company are submitted to the ICF in writing and must include:

- a) name, address, telephone number, fax number, email address of the Claimant-Client
- b) the Client's number/code with the Company
- c) the particulars of the covered services agreement between the ICF and the Claimant-Client
- d) the type and amount of the alleged claims of the claimant
- e) the particulars from which the alleges claims of the claimant and their amount derived
- f) any other information that the ICF might request

6.4 Upon submission of the application the Administrative Committee of the ICF has control especially if:

- a) the claimant falls within the category of Covered Clients
- b) the application was timely submitted
- c) the claimant is not convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 2007, as amended from time to time or replaced
- d) the conditions for the valid submission of compensation applications are fulfilled

6.5 The Administrative Committee rejects the application in case the claimant does not fulfill the conditions referred in paragraph 6.4 above, or, if at the Administrative Committee's discretion, at least one of the following reasons exist:

- a) the claimant-client used fraudulent means in order to secure the payment of compensation by the ICF, especially if knowingly submitted false evidence;
- b) the damage suffered by the claimant substantially derived from concurrent negligence or offence on its behalf in relation to the damage it suffered and to its underlying cause.

6.6 Following the completion of the assessment of the claim, the ICF issues minutes listing the clients of the Company who are eligible to receive compensation as well as the amount of money they are entitled to receive and communicates to CySEC and the Company within five (5) working days from its issue.

6.7 The ICF shall notify each eligible Client its finding(s) within fifteen (15) days from the issue of the abovementioned minutes determining the total compensation amount the Client is entitled to receive.

7. Compensation Amount

7.1 The amount of compensation payable to each covered client is calculated in accordance with the legal and contractual terms governing the relation of the Covered Client with the Company, subject to the set-off rules applied for the calculations of the claims between the Covered Client and the Company.

7.2 Subject to the provisions of the Law and the Directive, the calculation of the compensation payable derives from the sum of the total established claims of the Covered Client against the Company, arising from all Covered Services provided by the Company and regardless of the number of accounts of which the customer is a beneficiary, the currency and place of provision of these services.

7.3 The total payable compensation to each Covered Client of the Company may not exceed the amount of twenty thousand EUR (€20,000), irrespective of the number of accounts held, currency and place of offering the investment service.

7.4 In cases whereby beneficiaries of a joint account of the Company are in their majority Covered Clients, the maximum amount payable to all co-beneficiaries of the account comes up to the amount of twenty thousand EUR (€20,000) and the compensation is fixed on the whole for all co-beneficiaries of the joint account and shall be divided between them in accordance with any agreement between the and the Company and/or in the absence of such an agreement, the amount shall be divided equally amongst them.

Where the investment firm providing services to its clients through the branch situated in a third country, the amount of the maximum compensation payable to the clients of the said branch comes up, per client, to the lump sum paid by any investor compensation scheme in operation in the third country, without exceeding the amount of twenty thousand EUR (€20,000).

30 June 2021 – v.2021/001

Copyright © 2021 IronFX. All Rights Reserved

Notesco Financial Services Limited,
2, Iapetou Street, Agios Athanasios, 4101 Limassol, Cyprus
Tel: +357 25027212 | Fax: +357 25027001
Web: www.IronFX.eu