

ATLANTIC SECURITIES LTD (CIF) POLICY IN CONNECTION WITH THE INVESTORS
COMPENSATION FUND (ICF)

On 8 March 2019 the Cyprus Securities and Exchange Commission published a new Directive (DI87-07) for the operation of the Investors Compensation Fund (ICF Directive). This new Directive is effective from 2018.

On the basis of the new Directive, the ICF members, the CIFs, will make contributions to ICF on a continuous annual basis. These contributions are not refundable. The contributions are calculated on the basis of each client covered by the ICF and amount to 0,1% of the value of the eligible capital of each covered client subject to a maximum amount of €20 per annum. The determination of eligible capital takes into account the higher amount that results from the calculation of the daily eligible capital and financial instruments of each covered client on the last day of each month during the preceding calendar year.

Furthermore, the CIF is obliged to pay to ICF an annual levy towards the operating or/and other expenses of ICF, to pay audit fees to its external auditors for the audit of its statements of eligible capital which are submitted to ICF and to maintain additional funds in a dedicated bank account as an additional security for its obligations towards ICF.

The CIF considers fair that this cost which is effectively a premium that is obliged to pay to insure the eligible capital and financial instruments of its covered clients, is borne by its covered clients. Consequently the CIF intends to transfer this cost to its covered clients covered by debiting their brokerage accounts, every year, by the 30th of April the latest or, if deemed necessary, whenever there is a fund withdrawal or transfer of financial instruments. These ICF fees will amount to 0,1% of the value of the eligible capital of each covered client subject to a maximum amount of €20 plus €1.