



**INVESTOR
COMPENSATION FUND**

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IronFX Financial Services Limited (the “Company”), whose registered office is at 17, Gr. Xenopoulou, 3106 Limassol, Cyprus, is authorised and regulated by Cyprus Securities and Exchange Commission under licence number 125/10.

The Company is a member of the Investor Compensation Fund (the “Fund”). The Fund was established under the Investment Firms (IF) Law 2002 as amended (the “Law”) and the Establishment and Operation of an Investor Compensation Fund for customers of CIFs Regulations of 2004 (the “Regulations”) which were issued under the Law.

The Fund constitutes a private legal entity and its administration is exercised by an Administrative Committee of five members, who are designated for a three-year term. The Fund has been operating since 30th May 2004.

Covered Services

The Fund shall compensate the Company’s covered customers as to the covered [investment services](#) and [ancillary service](#) offered by the Company as these are listed on its authorization and can be found in the website of the Cyprus Securities and Exchange Commission at http://www.cysec.gov.cy/licence_members_3_en.aspx and http://www.cysec.gov.cy/licence_members_4_en.aspx, respectively.

Covered Customers

The Fund covers all Company clients except those who are included in the following categories of investors:

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 organisations in transferable securities and their management companies,
 - g) Social insurance institutions and funds,
 - h) Investors categorised by the Company as professionals, upon their request.
2. States and supranational organisations.
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. Customers who file claims arising out of transactions involving individuals convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law or customers responsible for the financial difficulties of the Company or who have contributed to the worsening of the Company's financial situation or who 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.

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

Object of the Fund

The object of the Fund is to secure the claims of the covered clients against the members of the Fund (i.e. IronFX 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.

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.

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.

Preconditions for the Initiation of the Compensation Payment

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

- a) the Cyprus Securities and Exchange Commission 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.

Upon issuing a decision by the Cyprus Securities and Exchange Commission or by the Court in accordance with paragraph a) or b) above respectively, on the commencement of the compensation payment procedure, the Fund will publish in at least three national newspapers an invitation to the covered customers to make their claims against the Company arising from the covered services, designating the procedure for the submission of the relevant applications, the deadline for their submission and their content.

Compensation Amount

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 off-set rules applied for the calculations of the claims between the covered client and the Company. 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.

The valuation of the financial instruments pertaining to the compensation payable to the covered client is carried out based on the value of the day:

- a) of publication of a court ruling which has the effect of suspending the investors ability to lodge claims against it based on reasonable grounds directly related to the financial circumstances of the Investment Firm (i.e. IronFX Financial Services Limited) which has subscribed to the Fund;
- b) of publication of the decision of the Cyprus Securities and Exchange Commission that an Investment Firm, which has subscribed to the Fund, is unable to meet any of its duties arising from its customers' claims in connection with the covered services it has provided, as long as such inability is directly related to its financial circumstances in respect of which no realistic prospect of improvement in the near future seems foreseeable.

Insofar as the amount of the claim determined exceeds the amount of twenty thousand Euros (€20.000), the claimant receives as compensation the amount of twenty thousand Euros (€20.000).

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 Euros (€20.000).

General Information

For any further information regarding the Fund, please contact the Company at compliance@ironfx.com

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IronFX Financial Services Limited,
30, Gr. Xenopoulou Street, 3106 Limassol, Cyprus
Tel: +357 25027000 | Fax: +357 25027001
Email: info@ironfx.com | Web: www.IronFX.com