



## Client Agreement

February 2018

# **CLIENT AGREEMENT**

**Services:** Investment Advice (financial instruments), Receipt & Transmission (financial instruments)

This Client Agreement ("This Agreement", "The Agreement") is between IFCM Cyprus Limited ("The Company", "IFCM Capital") and the client.

## **Introduction**

The investment advisory services under the brand name IFCM Capital are provided by IFCM Cyprus Limited Ltd., a Cyprus Investment Firm ("Company") regulated by the Cyprus Securities & Exchange Commission ("CySEC") (registration number: 147/11) with registered office at 5a, Andrea Makariou, Agiou Stilianou Linopetra, 4102, Limassol, Cyprus.

This Client Agreement should be read in conjunction with all applicable terms and conditions, prospectuses, application forms and key features documents to understand fully the nature of the product/service and associated risks. The Client's attention is drawn to the jurisdiction of the Financial Institution, its products, services and funds, the risk profile of assets, vehicles and instruments as well as product/service terms and conditions including, inter alia, charges, fees and any possible liquidity restrictions and early redemption fees.

## **Contact information**

Head Office: 6, Marinou Geroulanou Street, Kato Polemidia, 4154, Limassol, Cyprus.  
Postal Address : 6, Marinou Geroulanou Street, Kato Polemidia, 4154, Limassol, Cyprus.

Telephone: +357 25 255 455

Fax: +357 25 255 533

Website: <https://www.ifcm.capital/>

Email: Administration: [admin@ifcm.capital](mailto:admin@ifcm.capital) General: [info@ifcm.capital](mailto:info@ifcm.capital)

The Client is requested to send instructions (regarding the execution of the orders) to the Company via email ([admin@ifcm.capital](mailto:admin@ifcm.capital)). The Company shall not be responsible for instructions that are transmitted in any other way. The Company is obliged to execute client's orders according to the instructions received within 5 working days of receipt thereof.

## **Client categorization**

The Company categorizes its clients as Retail, Professional or Eligible Counter-parties. Clients have the right to request a change of their client categorization and those wishing to do so are requested to apply in writing to the Company according to the Company's Client categorization policy.

## **Anti-money laundering**

According to the [The Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007, 2010, 2012 and 2013 \(unofficial translation and unofficial consolidation - MOKAS\)](#), before The Company enters into any agreement for Investment Services with a client, it is obliged, among others, to validate client identification and source of funds.

Considering the aforementioned, the Company will not provide the investment or ancillary services in relation to the financial instruments that is authorized to provide if the aforementioned procedures are not carried out satisfactorily. The Company is obliged to maintain the required records of Client identification requested and obtained on file and will, from time to time, request up-to-date records from its clients.

## **Qualifications and training**

The Company's associated persons are required to possess the qualifications, knowledge and expertise to carry out their duties and responsibilities. This forms a process of continuing professional development and training.

## **Assessment of Suitability and Client Investment profile**

The Company as per the Section 26 of the [LAW 87\(I\)/2017](#) ("Law"), must obtain the necessary information regarding the Client's or potential Client's knowledge and experience in the investment field relevant to the specific type of product or service, his financial situation and his investment objectives so as to be able to recommend the investment services and financial instruments that are suitable for the Client.

Therefore, according to the [Directive DI144-2007-02 of 2012 of the Cyprus Securities and Exchange Commission for the Professional Competence of Investment Firms and the Natural Persons Employed by Them](#) and based on information (including financial situation, investment objectives and investment knowledge & experience) supplied by the Clients during the account opening procedure, the Company will form an investment profile of the Client, in order to properly assess the Client's suitability.

**IFCM Cyprus Ltd does not provide services for United States of America and Japan residents.**

## **Investment characteristics:**

- a) Investment capital
- b) Investment horizon
- c) Investment knowledge in relation to the financial instrument offered to the Client
- c) Investment goal: Income Generation/Preservation of Funds/ Education/Real estate/other

The Company uses acquired investment characteristics to implement a risk scoring. A risk scoring is implemented in order to be linked to each strategy, as mentioned below:

### **a) Conservative strategy**

The Client reduces investment risks but limits the profit potential in the long run. The Client is guaranteed the safety of 90% of the deposit. In case of a drop in the value of the investment to the level of 91% or lower, all client positions are forcibly closed. The Company shall inform the Client about the position closing by e-mail.

#### **b) Moderate strategy**

The use of margin creates additional investment risks, but allows expecting a higher return on investment in the long term. The Company ensures that in cases of the use of leverage retail clients will receive the leverage less or equal to 1:2. In addition clients that pass the assessment of appropriateness may have the option, if they choose, to change the default to a higher/lower leverage. The strategy proposes a trade-off between risk and expected return. The Client is guaranteed the safety of 85% of the deposit. If the value of the investment falls to the level of 86% or lower, all customer positions are forcibly closed. The Company informs The Client about the position closing by e-mail.

#### **c) Aggressive strategy**

The Client may accept a high investment risk as per the results of the suitability assessment. The Client uses trading leverage to maximize profits in the long term. The Client is guaranteed the safety of 80% of the deposit. If the value of the investment falls to the level of 81% or less, all client positions are forcibly closed. The Company informs the Client about the position closing by e-mail. The Company ensures that in cases of the use of leverage retail clients will receive the leverage less or equal to 1:2. In addition clients that pass the assessment of appropriateness may have the option, if they choose, to change the default to a higher/lower leverage.

### **Investment horizon**

Some investment products are held for a specific period (known as the horizon). Investments should always be considered as middle-term, long-term (more than 5 years) and accumulative (pension, financial plan).

### **Investment services**

The Investment Service(s) that will be offered subject to the present agreement are indicated on the front page. The Company will act in accordance with the information provided by the Client. Investment advice by the Company may be communicated through the web site interface or in writing by email.

The Client may choose, at its discretion, to accept or reject investment advice in relation to the Company's products and services. The Company may as well provide reports through the online service of the web site. This report is available through the personal area of the Client and is updated on the daily basis. The portfolio of investment positions is the property of the Client and is not the property of the Company.

## **Charges and fees**

IFCM Cyprus Limited charges an annual commission of 1% from Total Investment Value ("TIV") of the Client's portfolio of positions. The periodicity of commission charging is 1 year, starting from the moment of receipt of the Client's instructions for opening a portfolio for the provision of investment advice. TIV is calculated based on market components of the portfolio at the close of the New York Stock Exchange trading session. A single commission is charged as a compensation fee if the Client closes the portfolio ahead of annual schedule. In this case, the commission is charged on the day of the client instruction receipt.

## **Best execution**

The Company follows [the provisions of s.28-\(1\)](#) of the Law and operates in accordance with its Best Execution Policy which is considered as integrated part with the present agreement: Best Execution is the process by which a Financial Institution (i.e. the Company) takes all reasonable steps to obtain the best possible results in the execution of Client orders, considering price, cost, size of trade and other factors such as quality of execution (speed, likelihood of execution) and any other relevant consideration. Nevertheless, if the client gives a specific instruction regarding the execution of an order then, the Company will execute the Client's order according to the said specific instruction.

## **Record keeping and disclosure of information**

The Company maintains records of Client information that is supplied to the Company during the provision of a product/service and will maintain such records for a period of at least 5 years from the cessation of such provision. This information is kept electronically and/or in a hard copy form. By signing this agreement, the Client consents to the Company's use and disclosure of this information as follows:

- a) At the instruction or request of the Client. The client may request such information in case if the official web site of the Company is not available for more than one day.
- b) In the transfer of information between its offices and its associated persons on a need-to-know basis;
- c) For compliance with any legal or regulatory or internal policy requirements that the Company may have;
- d) To assess potential products and services that may be suitable to the Client;

## **Conflict of interest**

It is a policy of the Company to avoid conflicts of interest. Where it is not possible to avoid a conflict of interest, the Company will seek to minimize its effect and ensure fairness in dealing with the situation in such a way that the conflict does not impair the Company's continued ability to act in its Clients' best interests according to its conflict of interest policy.

## **Client complaints**

The Company's Head of Investment Advice Department will handle client complaints. All associated persons will be required to co-operate in the investigation of any complaint or dispute and subsequently inform the Client about the outcome.

All complaints should be addressed to the Company in writing via e-mail, accompanied by all details and supporting documentation. The Company is obliged to consider the complaint and acknowledge receipt of the complaint in writing to the Client's electronic address within **5 business days** of receipt of such complaint. The resolution of clients' complaints may take up to two months and in special cases 3 months.

The Client has also the right to direct his written complaint to the Cyprus Securities and Exchange Commission (CySEC) using the online form <http://www.cysec.gov.cy/en-GB/complaints/>.

## **Segregated accounts**

Clients' funds are kept in a special segregated account with an authorized bank, separate from the Company's own funds. Clients' funds cannot and will not be used by the Company for its own benefit. Any movement on such an account is allowed only to the Client's bank account following the Client's withdrawal request or to the Company's corporate account in accordance with account reconciliation.

## **Investor compensation fund**

The Company is obliged to maintain the level of secured/passive capital consistent with the European Union MiFID and the Law.

The Company is also a member of the Investor Compensation Fund ("ICF", "The Compensation Fund") administered by the Ministry of Finance of the Republic of Cyprus and regularly pays membership fees. The Compensation Fund provides an opportunity for retail clients to receive compensation in the amount of up to EUR 20,000 per applicant if the Company is unable to fulfill its obligations.

The amount does not depend on the number of customer accounts or the base currency. Calculation of the total amount of compensation considers the counterclaims of the Client and the Company (according to The Agreement) and communicates it to the Client. If the applicant does not agree with the decision of the Compensation Fund, he has the right within 10 days to apply to the Cyprus Securities and Exchange Commission with the justification of his claim for a larger amount, but the maximum amount is limited to 20,000 EUR.

## **Governing law**

The governing law of this Agreement is that of the Republic of Cyprus, Law 87(I)-2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters. This Agreement shall be interpreted and construed according to laws of Cyprus. Any disputes arising out of or in connection with the present Agreement which are not friendly solved by mutual agreement, shall be settled in the Courts of Cyprus.

## Effective date, alterations and additions

This Agreement comes into effect **on the date of execution** and remains in legal force until the moment the parties, by **mutual consent** or at the initiative of either party; decide to terminate the Agreement. A notice of termination should be sent one month prior to the anticipated termination in paper form.

After receiving a letter on termination of one of the parties, the Client's portfolio is closed within 3 business days. The investment value of the portfolio at the closing prices of the positions is returned to the Client's personal account. The Company has the right to unilaterally terminate the Agreement if it finds violations in the policy on countering the "laundering" of funds.

Clients who wish to add additional terms to the present Agreement are required to inform a Company in paper form. Requests for additional terms will be reviewed and subject to the approval of the Company will be inserted in the Agreement.

### In accepting this Agreement, the Clients:

- Acknowledge that they have read and understood the Agreement in conjunction with all applicable terms and conditions, prospectuses, application forms and key features documents of IFCM Cyprus Limited;
- Acknowledge receipt of and give consent to the Company's Best Execution Policy, Conflicts of Interest Policy and Public Disclosure Policy;
- Confirms that information provided by them to the Company is, to the best of their knowledge, true and accurate;
- Consent to receive information such as valuation and other reports via email and/or through the Company's website;
- Understand, agree to and accept each section of this Agreement;
- Understand the aims and benefits of the product and associated service and confirms that they meet their needs;
- Understand the product fees and charges;
- Understand that IFCM Cyprus Limited is not a tax agent and, accordingly, does not bear responsibility for paying taxes arising in connection with their investment;
- Understand the risks involved and do not hold the Company liable for any losses that may occur;
- Understand that a historic return is no guarantee of future returns and that projections and simulations of future performance and returns are purely indicative.
- By accepting this agreement, the client acknowledges and confirms that he/she does not reside in one of the excluded countries.

**I have read, understood and agreed with the Agreement** and accompanying information. (namely the Client Agreement).



# IFCM CAPITAL

IFCM Cyprus Limited

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