Investor Compensation Fund

IQBroker Europe Ltd (formerly IQOption Europe Ltd) (hereinafter called the "Company") is a member of the Investor Compensation Fund (hereinafter called the "Fund").

The objective of the Fund is to secure the claims of covered clients against members of the Fund by the payment of compensation for their claims arising from the failure by a member of the Fund to fulfill its obligations. Failure by the Company to fulfill its obligations can lead to either

(a) its inability to return to its covered clients funds owed to them or funds which belong to them but are held by the Company, directly or indirectly, in the framework of the provision of covered services, or

(b) its inability to return to its covered clients financial instruments that belong to them and which the Company holds or controls in its accounts on behalf of the clients.

1. Covered Services

Covered Services are the investment and ancillary services listed on the Company's license (247/14) issued by the Cyprus Securities and Exchange Commission.

Investment Services:

1. Reception and transmission of orders in relation to one or more financial instruments
2. Execution of Orders on behalf of Clients
3. Dealing on Own Account
4. Portfolio Management
5. Investment Advice

Ancillary Services:

1. Safekeeping and administration of financial instruments, including custodianship and related services.
2. Granting credits or loans or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
3. Foreign exchange services, where these are connected to the provision of investment services.

In the following financial instruments:

1. Transferable securities.
2. Money-market instruments.
3. Units in collective investment undertakings.
4. Options, futures, swaps, forward rate agreements, and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices, or financial measures that may be settled physically or in cash.
5. Options, futures, swaps, forward rate agreements, and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF.
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in paragraph 6 of part III of the Law and not being for commercial purpose, which have the characteristics of other derivative financial instrument, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls.
8. Derivative instruments for the transfer of credit risk.
9. Financial contracts for differences.
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices, and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

2. Covered Clients

Covered clients are all the clients of the Company that are NOT included in the following categories of investors:

1. Institutional and professional investors such as:
    a. Investment Firms (IFs)

b. Legal entities associated with the Company and, in general, belonging to the same group of companies as the Company

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

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, 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 whose claim arises out of transactions involving individuals who have been convicted of a criminal offense for these transactions, pursuant to the Concealment, Investigation, and Confiscation of Proceeds from Criminal Activities Act 1996 as amended.

10. Investors-clients of the Company responsible for facts pertaining to the Company which have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts.

11. Investors in the form of a company, which due to its size are not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a member state of the European Union.

3. Aim of the Fund

The aim of the Fund is to secure claims of covered clients against members of the Fund (i.e. IQBroker Europe Ltd) by providing compensation for their claims, arising from covered services, so long as it has been established that there is failure by the Company to fulfill its obligations.

4. Procedure for Initiating the Compensation Payment

The Fund initiates the compensation payment procedure when at least one of the following circumstances is satisfied:

1. The Cyprus Securities and Exchange Commission has determined by resolution that the Company is unable to meet its obligations 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

2. A judicial authority has, on reasonable grounds directly related to the financial circumstances of the Company, issued a ruling, which has the effect of suspending the investors' ability to lodge claims against it.

3. The preconditions above are presumed to be fulfilled in:

4. If the Company submits to the Fund or to the Cyprus Securities and Exchange Commission a written statement declaring its failure to fulfill its obligations toward its clients;

5. If the Company files an application for liquidation in accordance with the provisions of Part V of the Companies Law;

6. If the Cyprus Securities and Exchange Commission has revoked or suspended the Company's authorisation to provide investment services and ascertains that the Company is not expected to be in a position to fulfill its obligations toward its clients in the near future, for reasons which do not concern a temporary lack of liquidity which can be dealt with immediately.

Following the decision to initiate the compensation payment process in accordance with paragraphs (4.1) or (4.2) above, the Fund publishes in at least three national newspapers an invitation to the covered clients to make their claims against the Company arising from covered services, designating the procedure for the submission of the relevant applications, the deadline for their submission and their content.

The publication contains at least:

1. The Name and address of the headquarters of the member of the Fund, to whom the covered client compensation process has been activated through the Fund.

2. The deadline for the submission of compensation applications, which cannot be less than five months and greater than nine months from the last publication.

3. The mode and address of submission of applications.

4. The address at which investors may be informed about the exact content of the applications to be submitted and get the relevant form provided by the Fund.

5. Amount of Payable Compensation

The amount of compensation payable to each covered client is calculated in accordance with the legal and contractual terms governing the relations of the covered Client with the Company, subject to the set of applied for the calculation of the claims between the covered Client and the Company.

The calculation of the payable compensation derives from the sum of 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 client is a beneficiary, the currency and place of provision of these services. Currently, the covered client can receive as compensation the minimum between **€20,000 (Euros) and 90% of the covered client's claim**.

For any further information regarding the Fund, please contact IQBroker's Office or the offices of the Administrative Committee of the Fund, at the following address:

Investor Compensation Fund for IF Clients
19 Diagorou Str., 1097 Nicosia, Cyprus
Tel: +357 22 506600
Email: tae@cysec.gov.cy