



# Investor Compensation Fund

April 2022

## 1. Introduction

Amana Capital Ltd (hereinafter called “the Company” or “Amana”) is an investment firm regulated by the Cyprus Securities and Exchange Commission (hereinafter called “CySEC”) with license number **155/11**.

Pursuant to the Investment services and activities and regulated markets law of 2017 which provides for the provision of Investment services, the exercise of Investment activities, the operation of regulated markets and other related matters (“the Law”), Amana is a member of the Investor compensation fund (“ICF”) for the clients of Cyprus Investment firms (CIFs).

## 2. Membership

The Company is authorized by the Commission to provide the following investment services and activities and ancillary services which are covered by ICF:

### **Investment services and activities**

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.

### **Ancillary services**

1. Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management and excluding maintaining securities accounts at the top tier level;
2. Foreign exchange services where these are connected to the provision of investment services.
3. Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.

## 3. Objective

The objective of the ICF is to secure the claims of the covered clients against CIFs, members of the ICF, through the payment of compensation in cases where the CIF concerned is unable, due to its financial circumstances and when no realistic prospect of improvement in the above circumstances in the near future seems possible:

- a. to return to its covered clients funds owed to them or funds which belong to them but are held by the CIF in the context of providing investment services to the said clients, or;
- b. to hand over to covered clients financial instruments which belong to them and which the CIF concerned holds, manages or keeps on their account.

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

## 4. Amount payable

(1) The calculation of the compensation payable shall arise from the sum of the total established claims of the covered client against the Fund member, arising from all covered services provided by the member and regardless of the number of accounts of which it is the 15 beneficiary, the currency and place where such services are provided within the European Union.

(2) The Fund shall provide coverage for the claims referred to in Paragraph 19, which applies for the total claims of the covered client against a Fund member and shall be defined as the lower of 90% of the cumulative covered claims of the covered client and €20.000.

### (3) In case of a joint investment business:

- a. In the calculation of the covered amount noted above, the share that corresponds to each covered investor is taken into account;
- b. The claims are distributed equally among the covered investors, unless specific provisions exist and subject to the exceptions of point c below, the maximum coverage is provided to each Investor;
- c. The claims relating to joint investment business, to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature which has no legal personality, may, for the purpose of calculating the limits of compensation, be aggregated and treated as if arising from an investment made by a single investor.

## 5. Coverage

The ICF compensates CIF covered clients in respect of their claims arising out of an Investment or ancillary service (within the meaning of the Law) offered at the time by the CIF.

The ICF does not cover professional clients but only retail clients of CIFs. Under applicable regulation the Fund does not compensate the following investor categories:

1. The following categories of institutional and professional investors:

- a. Investment firms (IFs).
  - b. Legal entities associated with the member of the fund 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 member as professionals, upon their request, in accordance with articles 14 and 15 of the code of professional conduct of IFs.
2. States and international organizations.
  3. Central, federal, confederate, regional and local administrative authorities.
  4. Enterprises associated with the member of the fund, in accordance with the fifth schedule of the Law 144(I).
  5. Managerial and administrative staff of the member of the fund.
  6. Shareholders of the member of the fund, whose participation directly or indirectly in the capital of the member of the fund amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of the fund, as well as persons responsible for the carrying out of the financial audit of the member of the fund as provided by the law, such as its qualified auditors.
  7. Investors having enterprises connected with the member of the fund and, in general of the group companies, to which the member of the fund belongs, positions or duties corresponding to the ones listed in paragraphs (5) and (6).
  8. Second-degree relatives and spouses of the persons listed in the paragraphs (5), (6) and (7) as well as the third parties acting for the account of these persons.
  9. Apart from the investors referred to in subsection (2) of section 55 of the Law, investors- clients of a member of the Fund responsible for facts pertaining to the member of the fund 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 of the European Union.

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.

## 6. Procedure for initiating the compensation payment

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

- a. CySEC has determined that the company is currently unable to meet its obligations arising from its 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 circumstances of the company, issued a ruling which has the effect of suspending the investors' ability to lodge claims against the company.

Following the decision to initiate the compensation payment process in accordance with paragraphs (a) or (b) above, the fund publishes as soon as possible in at least two newspapers of national coverage, the 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.

**For more information about the Investor Compensation Fund, please refer to the following link:**  
<https://www.cysec.gov.cy/en-GB/investor-protection/tae/>.