



# INVESTOR COMPENSATION FUND

Last updated: **21/07/10**

Address: **O.C.M. Online Capital Markets Ltd**, Spyrou Kyprianou 38, CCS Building,  
P.O.B 70091, Kato Polemidia , Limassol 4160, **Cyprus**

Tel: **+357 25 028 544** | Fax: **+357 25 333 067**  
Mail to: [support@askobid.com](mailto:support@askobid.com) | Web: [www.askobid.com](http://www.askobid.com)

---

**Askobid** is a trade name used by O.C.M Online Capital Markets -Limited, registered in Cyprus and regulated by CySEC, The Cyprus Securities Exchange Commission under license number 108/10

## INVESTOR COMPENSATION FUND

### OBJECT OF THE FUND

The primary object of the Investor Compensation Fund (the “Fund”) is the safeguarding of investors’ claims against companies providing investment services which are members of the Fund and which are unable to satisfy its obligations against the investors that arise from the agreement between the investment firm and the client or, by legislation or, from the firm’s wrongdoing. The Company is a member of the Fund and in effect its users/clients are protected as provided herein (please refer to the paragraph below “Who is Covered?”)

Failure to satisfy the obligations owed to its investors must be ascertained prior to making a claim from the Fund and, shall indicate the inability of the Company to:

- (i) 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 customers of covered services, and which the latter requested the Company to return, in exercising their relevant right; or
- (ii) return to its covered customers 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.

### WHAT INVESTMENT SERVICES ARE COVERED BY THE FUND?

#### (the “Covered Services”)

1. Reception and transmission, on behalf of investors, of orders in relation to one or more of the financial instruments (currency trading and Options to acquire or dispose of any these instruments)
2. Execution of such orders, as listed in (1), other than for own account.
3. Dealing in financial instruments for own account.
4. Managing of investment portfolios in accordance with mandates given by investors on a discretionary, client-by-client basis where such portfolios include one or more financial instruments.
5. Underwriting in respect of issues of one or more of the financial instruments, as well as the noncore service of Safe keeping or administration in relation to one or more of the financial instruments.

## WHO IS COVERED BY THE FUND (the “Covered Customer”)

All O.C.M ONLINE CAPITAL MARKETS’s Users/clients are covered by the Fund unless they fall within the following categories:-

- (1) The following categories of institutional and professional investors:
  - Investment Firms,
  - Legal entities associated with the Company and, in general, belonging to the same group of companies,
  - Banks,
  - Cooperative credit institutions,
  - Insurance companies,
  - Collective investment organizations in transferable securities and their management companies
  - Social insurance institutions and funds,
  - Investors characterized by the Company as professionals, upon their request;
- (2) States and supranational organizations;
- (3) Central, federal, confederate, regional and local administrative authorities;
- (4) Enterprises associated with the Company. Associated enterprises means undertakings belonging to the same group as well as natural persons who directly or indirectly control that legal person or its parent company, holding a minimum percentage of 20% of the share capital or voting rights;
- (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 in 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) to (7) above, 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) to (8) above, the Fund suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply;

## INITIATING THE COMPENSATION PAYMENT PROCEDURE

The Compensation Payment procedure will be commenced by the Fund when at least one of the following preconditions occurs:-

- (1) the Cyprus Securities and Exchange Commission has determined by Resolution that the Company is unable to meet such of its duties as arise from its users/clients' claims, in connection with the covered services it has provided, given that such inability is related directly to the financial position of the Company which indicates that there is no realistic prospect of improvement in the near future, or
- (2) a judicial authority, on reasonable grounds directly related to the Company's financial position, has made a ruling that a well founded claim by a user/clients exists or through which the clients'/users' ability to lodge claims against the Company is suspended.

Where one of the above occurs then the Fund publishes in at least three national newspapers an invitation to the covered customers 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.

## AMOUNT OF COMPENSATION

The amount payable to the covered customer as compensation is calculated in accordance with the legal and contractual terms governing the relation of the clients with the Company, subject to set-off rules. More specifically, the amount of the compensation is the sum of the total of established claims of the covered customer against the Company, arising from all covered services provided by the Company regardless of the number of accounts of which the covered customer is a beneficiary, the currency and the place of provision of these services.

In the case where the claim exceeds the amount of twenty thousand Euros (€20.000) then the customer will only be entitled to be compensated with an amount of a maximum €20.000. The Fund will inform the Cyprus Securities and Exchange Commission, O.C.M ONLINE CAPITAL MARKETS and the claimant of the total compensation amount to which he is entitled to receive. In the event that the claimant does not agree with the Fund's decision, s/he/it has the right, to appeal to the Cyprus Securities and Exchange Commission within 10 days from the communication of the decision, justifying sufficiently his/her/its alleged claim.

The Fund is obliged to pay to each covered customer/claimant the compensation within three months from the communication of its decision to the Cyprus Securities and Exchange Commission. The payment of the compensation by the Fund is deposited to a bank account of the covered customer-claimant designated by the latter in writing to the Fund.