

Investor Compensation Fund (ICF) Information Brochure

EMKAP LIMITED – CIF License No. 077/06

1. Introduction

The Investor Compensation Fund (ICF) is a statutory scheme established under Law 87(I)/2017 and operated under the supervision of the Cyprus Securities and Exchange Commission (CySEC). It provides compensation to eligible retail clients in cases where a Cyprus Investment Firm (CIF) is unable to meet its obligations due to financial difficulties.

2. Objective of the ICF

The primary objective of the ICF is to secure claims of covered clients against investment firms in the event of:

- The CIF's failure to return funds owed or belonging to the client;
- CIF's failure to deliver financial instruments owned by the client or held on their behalf.

3. Who Is Covered?

The ICF only compensates "covered clients", which are typically:

- Retail clients (as classified under MiFID II);
- Natural or legal persons who do not fall under the category of excluded clients (see Section 4 below).

4. Who Is Excluded?

The ICF **does not cover**:

- Professional clients and Eligible Counterparties;
- Banks, insurance companies, collective investment schemes, pension funds;

- Governmental and supranational organisations;
- Directors, managers, shareholders (owning >5%), and auditors of the CIF;
- Close relatives of the CIF's responsible persons;
- Clients involved in money laundering or criminal activities.

A full list of exclusions is outlined in the **Directive DI87-07**.

5. Scope of Compensation

The ICF covers:

- Cash balances held by the CIF on behalf of clients;
- Financial instruments (as defined under Law 87(I)/2017) entrusted to the CIF.

The compensation applies only when the failure of the CIF is confirmed by CySEC (e.g., through suspension or revocation of license due to insolvency or failure to meet client obligations).

6. Maximum Compensation Amount

The maximum amount of compensation payable to each covered client is:

€20,000 per client, irrespective of the number of accounts, currency, or location of service provision.

If the client's claim exceeds €20,000, only this amount is recoverable under the ICF. Any additional amounts may be pursued via legal proceedings, not through the Fund.

7. Compensation Procedure

Once CySEC determines that a CIF is in default, the ICF:

1. Publishes an invitation for clients to submit compensation claims;

2. Sets a deadline for submission (typically 5 months);
3. Evaluates all claims and issues decisions within 3 months (extendable);
4. Pays approved claims directly to clients.

8. How to Submit a Claim

If EMKAP Limited becomes unable to meet its obligations, clients will be informed through CySEC and our website.

To claim compensation, clients must submit:

- Completed Claim Form (issued by ICF);
- Evidence of funds or instruments held;
- Copy of ID/passport and relevant contracts/statements.

Claims should be submitted to:

Investor Compensation Fund c/o CYSEC

19 Diagorou Str.CY-1097 Nicosia

Website: <https://www.cysec.gov.cy>

9. Additional Information

The ICF is funded through annual contributions by Cyprus Investment Firms. It is not an insurance scheme but a last-resort protection mechanism for retail clients.

Clients are encouraged to review the official ICF Directive (DI87-07) and seek clarification from EMKAP if needed.

