HoxtonWealth Europe

Investor Compensation Fund (ICF) Guidance Document

October 2026

Hoxton Wealth (Europe) Ltd, previously Hoxton Capital Management (Europe) Ltd is authorised and regulated by the CySEC,
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VERSION CONTROL

Version	Author	Date	Description of Changes
1	General Manager	02 July 2024	Initial Policy
2	General Manager / Compliance Officer	20 December 2025	Applicable legal/regulatory basis, CIF scope clarified, compensation formula corrected, claim submission window and channels, payout process timelines, Governance enhanced
3	General Manager / Compliance Officer	21 October 2026	Updated to reflect the change of the Company's name to Hoxton Wealth (Europe) Ltd, its inclusion in the Hoxton Wealth Group and the CySEC approval letter ref. 7.1.623 dated 4 August 2026.

1. Introduction

Hoxton Wealth (Europe) Ltd, formerly Hoxton Capital Management (Europe) Ltd, (the "Company") is a Cyprus Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission under licence number 432/23, in accordance with the Markets in Financial Instruments Directive II (MiFID II) as transposed into Cypriot law through the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), as amended.

The Company is a member of the Investor Compensation Fund (ICF) for Clients of Cyprus Investment Firms (CIFs), established pursuant to the applicable regulatory framework. The ICF is intended to provide compensation to eligible clients in the event that a member firm is unable to fulfil its obligations arising from the provision of investment services.

2. Legal Framework

The ICF operates under the provisions of:

- The Provision of Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), as amended;

- Directive DI87-07 and DI87-07 (A) of the Cyprus Securities and Exchange Commission (CySEC), as amended.

These laws and directives stipulate the creation, administration, and functioning of the ICF to protect clients of Cyprus Investment Firms (CIFs).

3. Purpose and Objectives

The primary purpose of the ICF is to safeguard the claims of covered clients against CIFs through the payment of compensation in the event where a CIF fails to fulfil its obligations arising from the provision of investment services. This compensation aims to protect investors and maintain confidence in the financial system.

As the Company provides Investment Advice and Reception and Transmission of Orders services, and does not hold client funds or financial instruments, the scope of coverage under the Fund is limited to claims directly related to the Company's investment services obligations. The Fund does not extend to losses arising from services or assets outside the scope of the Company's regulated activities.

4. Governance and Administration

The ICF is administered by an Administrative Committee of five members designated for a three-year term. The roles and responsibilities of the committee include:

- Ensuring the effective operation and management of the ICF.

- Making decisions regarding the initiation of the compensation process.

- Overseeing the review and approval of compensation claims.

The Administrative Committee meets regularly, at least quarterly, to review the Fund's status, assess claims, and make necessary administrative decisions.

5. Membership and Contributions

Membership Criteria:

- All Cyprus Investment Firms (CIFs) must be members of the ICF.

Contribution Structure:

- Annual contributions: Each member contributes annually based on their financial standing and volume of business.

- Extraordinary contributions: Additional contributions may be required in exceptional circumstances to ensure the fund's adequacy.

- Interest on reserves: The ICF's reserves earn interest, which contributes to the fund's financial stability.

6. Eligibility Criteria

Eligible Clients:

Compensation is payable to non-professional clients of an ICF member (natural or legal persons, unions of persons, or groups of assets without legal personality), provided the claim arises from covered services and the other conditions of the framework are met.

Non-Eligible Clients:

The following professional clients and eligible counterparties are not covered:

- Institutional investors

- Professional investors (except where coverage is specifically permitted under applicable law and regulatory provisions)

- Supranational institutions, Government and central administrative Authorities

- Employees and management of the CIF

- Companies closely linked to the CIF, including entities within the same group, in accordance with the provisions of the Law

- Clients in relation to transactions in respect of which there has been a criminal conviction for money laundering.

7. Covered Services

For the purposes of the Investor Compensation Fund (ICF), the covered investment services provided by the Company include the following:

- Investment advice, and

- Reception & transmission of orders in relation to one or more financial instruments.

The Financial instruments in relation to which investment services are currently provided by the Company include:

- Transferable securities

- Money-market instruments

- Units in collective investment undertakings

8. Coverage Limits

The ICF compensates covered clients up to a maximum amount of €20,000 per client, regardless of the number of accounts held, currency, or place of offering the investment service.

Coverage is defined as the lower of 90% of the cumulative covered claims of the covered client and €20,000. For joint investment business, the share attributable to each covered client is taken into account and coverage is assessed per client.

9. Compensation Process

1. Initiation: The ICF initiates the compensation payment procedure when CySEC determines that a member appears, for reasons directly related to its financial circumstances, to be unable to meet its obligations arising out of investors' claims, or when a Court ruling has the effect of suspending investors' ability to make claims against the member.

2. Claim Submission: Affected clients must submit their claims within a set period announced by CySEC. Upon initiation, the ICF publishes (as soon as possible) in at least two national newspapers an invitation to submit applications, setting the procedure and a submission deadline that cannot be lower than five months (and may be extended by up to three months in exceptional cases, subject to CySEC approval).

3. Review: The ICF reviews claims to determine eligibility and the amount of compensation.

4. Payment: Approved claims are compensated up to the coverage limit.

10. Application Procedure

Upon issuance of a decision to initiate the compensation payment process by a Court or by CySEC, the ICF publishes in at least two national newspapers an invitation to the covered clients to make their claims against the member. The invitation outlines the procedure for submission, including the deadline and content required.

Compensation applications must include:

- Name, address, telephone, fax numbers, and email of the claimant-client.

- Client identification code with the Company.

- Details of the covered services agreement together with a copy of the agreement.

- Type and amount of alleged claims.

- A description of the facts and circumstances from which the claim and the claimed amount arise.

- Any other information the ICF might request.

An application may be submitted by

a. completing the online application form available on CySEC website, or
b. sending a letter to the ICF offices accompanied by supporting evidence, as indicated in the below Article Contact Information.

11. Calculation of Compensation and Payment Process

The amount of compensation payable to each covered client is calculated in accordance with the legal and contractual terms governing the relationship between the covered client and the member Cyprus Investment Firm (CIF).

The calculation is based on the total established and verified claims of the covered client against the member, arising from all covered investment services provided.

Compensation is determined as the lower of:

90% of the total covered claims of the covered client and

EUR 20,000, which represents the maximum compensation limit per investor.

Where the total covered claims exceed the maximum compensation limit, compensation is payable up to the applicable cap, in accordance with the provisions of the Investor Compensation Fund framework.

Indicative Examples:

- If a covered client has total eligible claims amounting to EUR 15,000, the compensation payable will be EUR 13,500 (i.e. 90% of EUR 15,000).

- If a covered client has total eligible claims amounting to EUR 30,000, the compensation payable will be capped at EUR 20,000, being the maximum compensation limit (noting that 90% of EUR 30,000 equals EUR 27,000).

Following the completion of the assessment and valuation process, the ICF:

- Issues a formal decision identifying the eligible clients and the corresponding compensation amounts, and noting the clients determined to be non-eligible, together with the reasons for such determination,

- Communicates the decision to CySEC and the CIF within five working days of issue and,

- Notifies the affected clients as soon as reasonably practicable.

Compensation is paid within three months from the date the decision is communicated to the covered client. This period may be extended in exceptional cases, in accordance with the applicable regulatory framework.

12. Reporting and Transparency

To ensure transparency and stakeholder confidence, the ICF commits to:

- Regular reporting to stakeholders, including annual performance reviews and fund status updates.

- Publication of annual reports and financial statements.

- Ensuring all stakeholders have access to up-to-date information about the ICF's activities and financial health.

13. Contact Information

For more information or to submit a claim, investors can contact:

Investor Compensation Fund
Cyprus Securities and Exchange Commission
19 Diagorou Street
1097 Nicosia, Cyprus
Email: tae@cysec.gov.cy
Website: https://www.cysec.gov.cy/en-GB/investor-protection/tae/
Phone: +357 22506600

14. Conclusion

The Investor Compensation Fund for Clients of Cyprus Investment Firms (ICF) constitutes a core investor protection mechanism under the Cypriot regulatory framework and contributes to maintaining confidence in the orderly functioning and integrity of the financial markets.

This Policy sets out the key principles governing the Company's participation in the ICF, including the eligibility of clients, the scope and limitations of coverage, and the process for the calculation and payment of compensation, in accordance with the applicable laws and directives issued by the Cyprus Securities and Exchange Commission (CySEC).

It is clarified that the ICF does not provide protection against investment risk, market fluctuations, or losses resulting from investment decisions. Compensation is payable solely in circumstances where a member Cyprus Investment Firm is unable to meet its obligations arising from the provision of covered investment services, and only to the extent and subject to the conditions prescribed by the applicable regulatory framework.

This Policy aims to ensure transparency, regulatory compliance, and consistent internal application of the ICF requirements by the Company.

Clients may obtain further information regarding the operation of the ICF, the applicable compensation rules, and their rights by contacting the Company at admin@hoxtonwealth.eu or on +357 24 332522.