



CTS Cloud Trading Solutions Ltd

Investor Compensation Fund
December 2024



1. Scope

CTS Cloud Trading Solutions Ltd, previously registered as Novox Capital Ltd, (the “**Company**”, “**CTS**”) is a Cyprus Investment Firm authorised and regulated by the Cyprus Securities & Exchange Commission (the “**CySEC**”), under License No.: 224/14.

In accordance with Section 15 of the Investment Services and Activities and Regulated Markets Law 87(I)/2017 as amended (the “**Law**”), CTS is a member of the Investor Compensation Fund (the “**ICF**”). The ICF has been established, and its obligations are governed by the provisions outlined in D187/07 of 2019 as amended by the Cyprus Securities and Exchange Commission, which pertains to the ongoing operation of the CIF Investor Compensation Fund (the “**Directive**”). CTS consistently adheres to the provisions set forth in the aforementioned Law and Directive.

2. Purpose of the Fund

The primary objective of the ICF is to safeguard the claims of Covered Clients, as defined by applicable legislation, against CTS. This protection is invoked when the Firm becomes unable to fulfil its obligations resulting from a Covered Client's claim related to the provision of investment or ancillary services.

The ICF provides compensation to Covered Clients who successfully file claims related to Covered Services offered by the Firm, provided that the Firm's failure to meet its obligations has been substantiated.

The Company's failure to meet its obligations to a Covered Client includes the following scenarios:

- Inability to return owed funds to a Covered Client or funds belonging to them, which are held by CTS, either directly or indirectly. This applies when the Covered Client has requested the return of these funds within the context of their rights under the 'Client Agreement.'
- Failure to transfer financial instruments rightfully owned by the Covered Client, which are held, managed, or maintained in the Firm's account.

3. Covered Clients



The ICF covers retail clients of the Firm and excludes Professional Clients. It also does not compensate individuals subject to ongoing criminal investigations related to money laundering activities, as per legal provisions.

In line with the provisions of the of the Directive “non-covered client”, the Fund does not compensate the following investor categories:

- IFs
- Legal entities associated with the Fund member and 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 as professionals at their request

The law also excludes clients who are:

1. States and international organizations.
2. Central, federal, confederate, regional, and local administrative authorities.
3. Enterprises that have close ties with the Fund member.
4. Managerial and administrative staff of the Fund member.
5. Shareholders of the Fund member with at least 5% of its share capital or partners personally liable for the Fund's obligations. This includes persons responsible for financial audits.
6. Investors in companies connected with the Fund member, having positions corresponding to those listed in paragraphs (4) and (5).
7. Second-degree relatives and spouses of persons in paragraphs (4), (5), and (6), and third parties acting on their behalf.
8. Investors of the Fund member responsible for actions causing financial difficulties or benefiting from these facts.
9. Investors in the form of company, which due to its size, is not allowed to prepare summary Balance sheet in accordance with the Cyprus Companies Law or the equivalent law of member states.

4. Covered Services

The ICF compensates Covered Client of CTS for claims arising from Covered Services. These services include any investment or ancillary service(s) offered by the Firm, which can be found on the official website of the Cyprus Securities and Exchange Commission at <https://www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/37630/>

Note that the ICF does not compensate individuals convicted of criminal offenses related to the Prevention and Suppression of Money Laundering Activities Law of 2007, as amended from time to time.

5. Procedure

The ICF's process for safeguarding the claims of Covered Clients becomes contingent upon the fulfilment of specific preconditions, as outlined below:

The ICF will initiate the claims securing process if the Cyprus Securities and Exchange Commission (referred to as 'CySEC') passes a resolution, determining that the Firm is incapable of meeting its obligations arising from a client's claim related to investment or ancillary services.

Alternatively, the ICF may engage when a court, based on reasonable grounds directly related to the financial circumstances of the Firm, issues a ruling that suspends the client's ability to file claims against the investment firm.

Upon the decision to compensate, the ICF will publish an invitation in at least two (2) national newspapers, inviting Covered Clients to submit their claims against the Firm. This invitation will include detailed information regarding the procedure, submission method, deadlines, and required content for claims. The published invitation must include:

- The name and address of the Fund member involved.
- The application deadline, within the specified timeframe.
- Information on how to submit applications.
- The address or website where clients can access the necessary claim form.

Claims not submitted as per the invitation procedures and criteria may be subject to rejection by the Administrative Committee. Additionally, claims may be refused if the Committee identifies that the Client has submitted false documentation or if the Client has suffered damage due to their contributory negligence or an offense committed by the Client.

Once the claims assessment is completed the ICF will notify the result to each claimant.

Right to Object:

If a claimant disagrees with the Fund's decision, they can submit a written objection to the Commission within one month from the notification of the decision, providing adequate justification. The objection should be sent to info@cysec.gov.cy and titled "Objection to the decision of the ICF."



In the process of reviewing an objection, the Commission has the authority to:

- Request information and details from the Fund, Fund member, or claimant.
- Conduct investigations as necessary.

The Commission must complete its review of the objection within 45 days. If an error is identified in the Fund's evaluation, the Commission will ask the Fund to promptly correct the mistake and pay the correct amount to the claimant, informing the affected client accordingly.

6. Amount of Compensation

The maximum compensation offered by the fund is equivalent to the lower of either 90% of the total covered claims of the client against a Fund member or Twenty Thousand Euros (€20,000). This compensation limit covers the total claims made by the Covered Client in relation to the Firm, regardless of the number of accounts held, the currency used, or the location of service provision.

The specific amount of compensation awarded to each Covered Client is calculated in accordance with the legal and contractual terms governing their relationship with the Firm. This calculation may also consider any applicable set-off rules used to determine the claims between the Covered Client and the Firm.

The calculation of payable compensation, as stipulated by the Law and the Directive, is based on the sum of established claims by the Covered Client against the Firm. This encompasses all covered services provided by the Firm, without regard to the number of accounts held, the currency in use, or the location of service provision.

In the case of a joint account, the maximum compensation available to all co-beneficiaries of the joint account is collectively capped to either 90% of the total covered claims of the client against a Fund member or Twenty Thousand Euros (€20,000). The compensation amount is applied uniformly to all co-beneficiaries of the joint account. If there is an existing agreement among them and the Firm, the compensation is divided as per that agreement. In the absence of such an agreement, the compensation is distributed equally among the co-beneficiaries. This ensures fair treatment among clients with shared accounts while adhering to the compensation limit.