

May 30, 2017

CYSEC Decision

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| Announcement date: | 30.05.2017 | CySEC Decision date: | 29.05.2017 |
| Regarding: | Xtrade Europe Ltd | | |
| Legislation: | The Investment Services and Activities and Regulated Markets Law | | |
| Subject: | Partial suspension of CIF license | | |
| Judicial Review: | Click here | Judicial Review Ruling: | Click here |

The Cyprus Securities and Exchange Commission ('CySEC') announces that the authorisation of the Cyprus Investment Firm **Xtrade Europe Ltd** ('the Company'), **number 108/10, is partially suspended for the provision of financial services and the performance of financial activities to new clients**, pursuant to section 26(2) of the Investment Services and Activities and Regulated Markets Law of 2007, as in force ('the Law'), as there are suspicions of an alleged violation of:

- A. Section 36(1) of the Law and paragraph 6, subparagraphs (1) and (2), of Directive DI144-2007-02 of 2012¹, as the marketing material disseminated by the Company and/or its associates (affiliates/Introducing Brokers/Business Introducers – 'associates') does not seem to be fair, clear and not misleading.
- B. Section 28(1) of the Law due to the Company's possible non compliance, at all times, with the authorisation and operating conditions of section 18(2)(a) of the Law and paragraph 5(1) of Directive DI144-2007-01 of 2012² as it does not seem to have in place adequate policies and procedures sufficient to ensure its compliance with the above - considering its inability to control and monitor the marketing material that the Company and/or its associates disseminate.

The above decision was reached due to the fact that the aforementioned alleged violations may possibly endanger the Company's clients' interests and generally the smooth operation of the capital market.

Within **one (1) month**, the Company has to take actions in order to comply with the aforementioned provisions.

While the suspension of the authorisation is in force, the Company:

1. Cannot enter into a business relationship with any person and take upon any new client.
2. Cannot receive, transmit or execute any orders from new clients for buying any financial instruments.

¹ Directive DI144-2007-02 of 2012 for the Professional Competence of IFs

² Directive DI144-2007-01 of 2012 for the Authorisation and Operating Conditions of CIFs

3. Cannot provide/perform, to any new client, any investment services/activities in Cyprus or outside Cyprus (in member states and third countries).
4. Cannot disseminate any marketing material (advertise) for the purpose of attracting new clients.
5. Must post on all its websites that its CIF license (authorisation) has been partially suspended for the provision of financial services and the performance of financial activities to new clients.

The Company can continue to provide/perform to its existing clients, investment services/activities.

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