

8 June 2017

PRESS RELEASE

CySEC concludes two-year investigation into CommexFX

Seven company directors fined and four company directors banned for various failings

NICOSIA – The Cyprus Securities and Exchange Commission (“CySEC”) has today imposed a series of financial penalties on a number of directors and relevant persons of CommexFX Ltd (www.commexfx.com; the “Company”), and has banned multiple key persons of the Company from exercising professional activity related to the financial sector (“regulated activities”) for a number of years.

This marks the conclusion of CySEC’s two-year investigation into suspected failings at the Company, an investment firm that provides online retail trading products in forex.

A collective sum of €400,000 has been imposed on the Company’s:

- Shareholder who acted as Manager, Mr. Abdel Rahman Alimari (“Mr. Alimari”);
- Relevant person to the Company, Mr. Mohab Mohamed Taghian Radwn (“Mr. Radwn”);
- Relevant person to the Company, Mr. Amr Jamal Mohamed Hendawi (“Mr. Hendawi”);
- Executive Director, Mr. Stavros Hadjikyriakos;
- Executive Director, Mr. Anastasios Yiapanis;
- Internal Auditor, Mr. Savvas Rigas;
- Chief Financial Officer, Mr. Vladimiros Germanos.

In addition to the financial penalties imposed on them, as of 8 June 2017, Mr. Alimari, and Mr. Radwn and Mr. Hendawi are banned from regulated activities for ten years and five years, respectively, for contributing to or not preventing a shortage in client money to occur in June 2015. Failure to protect investor money is a very serious infringement. CySEC concluded that these individuals are not fit and proper to perform any function relating to regulated activities as they individually and collectively, and particularly in relation to the identified failings at the Company, pose a significant threat to investor protection.

The imposition of financial penalties and prohibition measures follows CySEC’s suspension of the Company’s license on 12 June 2015, the imposition of a total €250,000

in financial penalties on the Company itself, and the ultimate withdrawal of its license on 25 July 2016 for related failings.

Additionally, CySEC, referred the case to the Attorney General to examine whether any criminal offences arise for the Company and Mr. Alimari for the provision of false and/or misleading information and for the deception and embezzlement of the Company's clients' money.

On 6 April 2017, CySEC ordered the Company to consider and resolve any and all customer complaints and return any money owed to all customers within a period of three months, following the established procedures for this purpose in accordance with the Law and Directives in place. On 4 May 2017, CySEC ruled that the Company was unable to immediately fulfil this duty towards its clients and so triggered the process of compensation payment by the Investor Compensation Fund ("ICF").

Demetra Kalogerou, Chair of the CySEC, said: *"CommexFX has persistently violated the laws we have in place to protect investors. The multiple fines imposed on the Company's directors, and the ban of three directors from regulated activities concludes CySEC's two-year investigation into the Company's failings, and follows the withdrawal of its license to perform any regulated activities in 2016. The initiation of the Investor Compensation Fund in May 2017 will ensure the swift remediation of any and all withdrawal of retail client's monies, up to €20,000 each, in line with CySEC's commitment to limit consumer detriment. CySEC will not hesitate to pursue regulatory action against current or former directors should they or their licensed company be found to be in violation of the legislation we consistently enforce."*

Following a two-year investigation, a number of serious infringements of the law were identified and evidenced.

Safeguarding clients' money

Mr. Alimari, and Mr. Radwn and Mr. Hendawi were each fined €50,000 and banned from regulated activities for ten years and five years, respectively, due to failure to meet their responsibility to safeguard client monies and contributing to or not preventing the occurrence of a shortage in client monies in June 2015.

Periodic assessments to ensure compliance

Mr. Alimari, Mr. Hadjikyriakos and Mr. Yapanis were fined €150,000, €25,000 and €15,000 respectively because they failed to perform the required periodic assessments and review of the effectiveness of the Company's internal policies and practices for the period 2014-2015 in order to ensure the Company's compliance with the current legislation.

CySEC places high importance on the role of the executive directors of an Investment Firm, who are in position to act decisively in order to ensure that the Investment Firm complies with the requirements of the legislation. In deciding Mr. Alimari's fine, CySEC took into consideration Mr. Alimari's role as single shareholder who also acted as Director

of the Company, which gave him full oversight of and responsibility for the Company's activities.

Internal auditor's report, policies and control systems

Further, Mr. Rigas and Mr. Germanos were each fined €10,000 because they failed to take the necessary measures and actions, through the internal auditor's report for year 2014 or the submission of recommendations to the Board of Directors or in other ways, to identify weaknesses in the Company's administrative and accounting policies and internal audit systems in order to avoid the shortage in client money in 2015.

Noncompliance of the article 139 of the Investment Services and Activities and Regulated Markets Law, Directive DI144-2007-01 of 2012

Lastly, Mr. Hadjikyriakos, Mr. Rigas and Mr. Germanos were fined €20,000, €10,000 and €10,000, respectively because they did not take the necessary corrective measures or provide complete information to CySEC during the course of its investigations into the Company's suspected failings.

Re: the remainder of the non-executive Directors, the CySEC has been satisfied from their representations and has decided that they were not in violation.

ENDS.