



Investors Compensation Fund eToro (Europe) LTD

eToro (Europe) Ltd. (“**eToro EU**”) is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the “**Fund**”). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the clients of its members is subject to certain conditions as per “Prerequisites for Initiating the Compensation Payment Procedure” (indicated on the next page) which explains when payments by the Fund are activated. The Fund does not cover institutional or professional investors/clients and the total payable compensation to each covered client may not exceed EUR 20,000, irrespective of the number of accounts held, currency and place of offering the investment service.

All eToro EU clients are covered by the Fund unless they fall within the following categories:

1. The following categories of institutional and professional investors:
 - a. Investment Firms;
 - b. Legal entities associated with eToro (Europe) Ltd. and, in general, belonging to the same group of companies;
 - c. Banks;
 - d. Cooperative credit institutions;
 - e. Insurance companies;
 - f. Collective investment organizations in transferable securities and their management companies;
 - g. Social insurance institutions and funds;
 - h. Investors characterized by eToro (Europe) Ltd. as professionals
2. States and supranational organizations;
3. Central, federal, confederate, regional and local administrative authorities;
4. Enterprises associated with eToro (Europe) Ltd. Managerial and Administrative staff;
5. Shareholders of eToro (Europe) Ltd. whose participation directly or indirectly in the capital of the member of the fund amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of the Fund, as well as persons responsible for the carrying out of the financial audit of the member of the Fund as provided by the Law, such as qualified auditors;
6. Investors having in enterprises connected with eToro (Europe) Ltd. and in general of the group of companies to which eToro (Europe) Ltd. belongs, positions or duties corresponding to the ones listed in paragraphs 4 and 5 above.
7. Second-degree relatives and spouses of the persons listed in paragraphs 4, 5 and 6 as well as third parties acting for the account of these persons;
8. Apart from investors convicted of a criminal offence pursuant to the Prevention and Suppression of Money Laundering Activities Law of 1996 -2000, investor-clients of eToro (Europe) Ltd. responsible for facts pertaining to eToro (Europe) Ltd. that have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts;
9. Investors in the form of a company which due to its size is not allowed to draw a summary balance



sheet in accordance with the Companies Law or a corresponding law of a Member State.

Cryptocurrencies Transactions

Please note: Our cryptocurrencies trading service is a non-regulated services, and accordingly when using this service eToro EU client will not be eligible to apply for and/or receive such compensation from the Fund.

Prerequisites for Initiating the Compensation Payment Procedure:

The Fund initiates the compensation payment procedure when at least one of the following prerequisites is fulfilled:

- a) The Cyprus Securities and Exchange Commission has determined that eToro EU is for the time being unable to meet its obligations arising from its investors-customers' claims, in connection with the covered services it has provided, as long as such inability is directly related to eToro (Europe) Ltd.' financial position which has no realistic prospect of improvement in the near future; OR
- b) A Court, based on grounds directly related to the financial position of eToro (Europe) Ltd., has made a ruling which has the effect of suspending the investors-customers' ability to lodge claims against eToro (EU) Upon issuance of a decision by the Cyprus Securities and Exchange Commission or by the Court on the commencement of the compensation payment procedure, the Fund publishes an invitation to the covered clients to make their claims against eToro (EU), designating the procedure for the submission of the relevant applications, the deadline for their submission and their content.

Calculating the Amount of Payable Compensation:

The amount of compensation payable is calculated in accordance with the legal and contractual terms governing the relationship of the client and eToro EU, subject to the rules of setoff applied for the calculation of the claims between the Covered Customer and Toro EU. The calculation of the payable compensation derives from the sum of total established claims of the Covered Customer against eToro (Europe) Ltd., arising from all covered services provided by eToro EU and regardless of the number of accounts of which the customer is a beneficiary, the currency and place of provision of these services. The Fund is obliged to pay to each covered client – claimant the compensation within three months from sending to the Cyprus Securities and Exchange Commission the minutes with the compensation beneficiaries. For any further information regarding the Fund, please refer to the offices of the Administrative Committee of the Fund, at the following address: Administrative Committee of the Investor Compensation Fund for Customers of CIFs and other IFs: 32 Stasikratous Street, 4th floor P.O. Box 24996, 1306 Nicosia E-mail address: investmentfirms@cysec.gov.cy Fax no.: 22 375762.