

HYCM Capital Markets (UK) Limited
Protecting Client Funds
(version 1.0)

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1. INTRODUCTION

HYCM Capital Markets (UK) Limited (“HYCM”) is authorised and regulated by the Financial Conduct Authority in the UK (“FCA”) under Firm Reference Number 186171. The FCA have strict regulatory requirements in regards to client funds, known as the client money and client assets rules (found in the Client Assets Sourcebook – CASS), which govern exactly what we can do and how we must do it. HYCM is also a member of the Financial Compensation Scheme (FSCS).

2. GENERAL INFORMATION HOW WE PROTECT YOUR MONEY

When you open an account with HYCM you will be classified as a retail client, unless specifically notified otherwise. As a retail client when you deposit money into an HYCM account it is protected in a number of ways.

Retail client money is held separately from HYCM’s own funds so that client money is protected. It is therefore unavailable to general creditors of the firm, if the firm fails. As your money is held in segregated bank accounts under trustee arrangements, this ensures that the cash remains yours, rather than HYCM’s. This means that we are not allowed to use client funds in the course of our business activities, and that client money and assets are completely ring-fenced and protected in the unlikely event that HYCM became insolvent.

HYCM performs daily client money reconciliations in accordance with FCA requirements. This process ensures that funds held in segregated bank accounts always accurately reflect retail client assets. The full value of a client trading account is treated as client money.

Our client money controls and processes are audited annually and the results are reported to the FCA.

3. WHAT HAPPENS TO MY MONEY OR ASSETS IF HYCM GOES INTO LIQUIDATION

In the unlikely event of this happening, all of our clients would have their share of the segregated money or segregated assets returned, minus the administrators’ costs in handling and distributing these funds.

Any shortfall of funds of up to £85,000 may be compensated for under the Financial Services Compensation Scheme (“FSCS”). The FSCS is the UK’s compensation fund of last resort and was created on 1 December 2001, when the Financial Services and Markets Act 2000 came into force. The FSCS acts as a 'safety net' for clients of authorised firms.

Using the scheme does not cost you anything, but to qualify for compensation you need to be eligible according to the FSCS rules. Generally, the FSCS covers private individuals, as well as some small businesses. Further information on the FSCS can be obtained from their website, www.fscs.org.uk or by calling the FSCS Helpline on +44 (0) 20 7741 4100 or 0800 091 0030.

4. WHAT HAPPENS TO MY MONEY IF ONE OF THE BANKS HYCM USES TO HOLD CLIENT MONEY GOES INTO LIQUIDATION.

The losses would be shared by clients in proportion to the share of money held with the failed bank. Funds lost in this way may be compensated for under the FSCS.

Find out more about what the FSCS covers and who is eligible to claim at their website www.fscs.org.uk.