

INFORMATION REGARDING THE INVESTOR COMPENSATION FUND

June 2023

Introduction

Up Trend Ltd. is a Bulgarian Investment Firm (BIF), a company incorporated and registered under the laws of the Republic of Bulgaria under UIC 121527003, seated and with a business address at 51A, Nikola Y. Vaptsarov Blvd., 1st floor, Lozenets district, Sofia, Bulgaria, holder of Investment Firm license by Decision № ПГ-03-110 of the Bulgarian Financial Supervision Commission, (hereafter “the Company”).

The Company is a member of the Investor Compensation Fund (herein “the ICF”), established in Bulgaria as a legal entity. Its registered address is at 31, Tsar Shishman Str., floor 2, Sofia, Bulgaria; website: www.sfund-bg.com.

The ICF guarantees payment of compensation to the covered clients of licensed and regulated by the Bulgarian Financial Supervision Commission (herein the “FSC”) investment firms in Bulgaria, such as the Company, as well as to the clients of their branches in host states, under the conditions and procedure set out in the Bulgarian Law on Public Offering of Securities (herein the “LPOS”).

1. Object of the Fund

- 2.1. The object of the ICF is to secure the claims of the covered clients of investment firms in Bulgaria, licensed and regulated by the FSC, that are members of the ICF (ICF Members) against ICF Members, in situations where BIF is unable to fulfil its obligations.
- 2.2. Compensation shall be paid for the receivables that have arisen as a result of the inability of the BIF to return the clients’ assets in compliance with the legal and contractual provisions. Clients’ assets shall mean cash, financial instruments and other assets, of a BIF’s clients, which the BIF holds, administers or manages for their account in connection with the services provided in compliance with Art. 6, paragraph (2) and (3) of the Markets in Financial Instruments Act, including interest, dividends, and other such payments.
- 2.3. The Fund provides compensation in case when a BIF is not able to pay out its liabilities to its clients due to reasons directly related to its financial state. The Fund will pay compensation to clients of the Company in the following cases:
 - i. If bankruptcy proceedings have been initiated for the Company by virtue of a court decision, including where the bankruptcy proceedings are terminated under Art. 632 of the Commerce Act.
 - ii. If the Company’s license has been withdrawn by virtue of a decision by the FSC, where the financial condition of the investment Firm has continuously deteriorated, and the Company cannot meet its liabilities.
 - iii. With a decision of the FSC it was established that all the conditions under Art. 77b, point 3 of the LPOS are at once present.

- 2.4. Within 7 (seven) days as of the receipt of the decision referred to in article 2.3. above, the ICF will publish at least in two central daily newspapers and on its [website](#) an announcement specifying the pronounced decision for payment of compensation to clients of the BIF and the term in which the clients of the BIF may file a request for payment of compensation by the ICF, as well as the bank appointed to service payments of compensation.
- 2.5. Subject to compensation are receivables arising as a result of the inability of the BIF to repay client money, financial instruments or other liabilities towards clients, following the procedure and applying the conditions and limitations under the applicable law.
- 2.6. The maximum amount of the compensation is 90% of the eligible client's claim but not more than EUR 20 451.

2. Covered Services

Covered Services are the investment and ancillary services listed on the Company's license (License PF-03-110) issued by the FSC and entered into the Bulgarian Commercial Register to the Register Agency:

<https://portal.registryagency.bg/CR/Reports/ActiveConditionTabResult?uic=121527003>

3. Covered Clients

The ICF covers Retail Clients of the Company. It does not cover Professional Clients and Eligible Counterparties. For more details see paragraph 4 below.

4. Non-covered Clients

- 4.1. The ICF does not pay compensation to claims arisen out of and/or related to deals and actions, defined as "money laundering" within the meaning of Art. 2 of the Law on Measures Against Money Laundering, if the offender has been convicted and the sentence is effective as well as to claims of individuals defined under the Art. 77d, paragraph 2 of the POSA.
- 4.2. The ICF does not compensate the following, but not limited to, categories of institutional and professional investors:
 - a. Investment Firms,
 - b. Credit Institutions,
 - c. Insurance Companies,
 - d. Pension and Social Insurance Funds,
 - e. Collective investment schemes, national investment funds, alternative investment funds managed by persons managing alternative investment funds and special investment purpose companies,
 - f. The state and the state institutions,

- g. The municipalities,
- h. The Fund for Compensation of Investors in Financial Instruments, the Fund for Guaranteeing Deposits in Banks, and the Guarantee Fund under Art. 518 of the Insurance Code,
- i. The investors who took advantage of circumstances related to the Company and led to the deterioration of its financial condition, as well as the investors who contributed to this condition,
- j. Other professional clients within the meaning of § 1, item 10 of the Additional Provisions of the Financial Instruments Markets Act.

5. Compensation Payment Procedure

- 5.1. The ICF provides compensation to the clients of an Investment Firm in the cases specified in Art. 77b, para. 1, Art. 77c, para. 1 or Art. 77o, para. 3 of the Law on Public Offering of Securities (LPOS).
- 5.2. The claim for payment of compensation shall be raised in written form to the ICF **within a period of one year** after the publishing of the announcement by the ICF as specified in point 2.4. above.
- 5.3. The claim may be submitted via **postal office/courier services firm** or via **email with electronically signed documents**. In case the claim is submitted via email all documents must be signed with electronic signature issued by a provider of qualified electronic signature, which operates pursuant to Regulation (EU) No 910/2014 of the European Parliament and of the Council of Europe on “Electronic identification and trust services for electronic transactions in the internal market”. Otherwise, the ICF will not be able to read the electronic signature.
- 5.4. The address of the Fund is as follows: 31st “Tzar Shishman” str., 2nd floor, 1000, Sofia, Bulgaria. And the email address is office@sfund-bg.com.
- 5.5. The procedure for claim consideration and payment of compensation takes approximately **4 months**.
- 5.6. **The procedure for claim consideration and payment of compensation by the ICF is as follows:**

1.	The Fund verifies the regularity of the claim for payment of compensation (respectively when there is incompleteness and inconsistencies the client must resolve those or provide additional information and data)	>>	Within 10 days from the date on which the claim is received
2.	Any claim for payment of compensation shall be sent officially to the quaestor, liquidator, or receiver for a standpoint	>>	Within 7 days from the date on which the claim is received. If the claim is inconsistent/incomplete within 7 days from the date on which all inconsistencies have been resolved

3.	Receiving a written statement by the quaestor, liquidator, or receiver on the merits of the claim for payment of compensation	>>	Within 30 days from the date of receiving the claim by the Fund
4.	The Fund reviews the claim and takes a decision to pay out compensation	>>	When the reason and amount of each client's claim is established, but not later than 3 months
5.	The amount is paid by the assigned bank	>>	-

5.7. The compensation payment by the ICF shall be deposited into the bank account of the covered client, as designated by the client in writing.

5.8. In extraordinary and justified circumstances, the ICF may request from the FSC an extension of the deadline outlined above. The said extension shall not exceed three months.