



## How your assets are protected

*Many of Interactive Brokers' global clients will have accounts both at Interactive Brokers LLC ("**IBLLC**"), Interactive Brokers Group's U.S.-based brokerage firm, and Interactive Brokers (U.K.) Limited ("**IBUK**"), Interactive Brokers Group's U.K.-based brokerage firm. This document provides a general overview of the client asset protection rules applicable to client assets held with each firm. The information below is subject to change and IBUK and IBLLC may hold client assets in any manner consistent with the laws and regulations that apply to each firm.*

### Account types

- When IBUK introduces clients to IBLLC, IBLLC acts as the account "carrier with IBUK acting as introducing broker, and services are provided to customers via a tripartite agreement with IBUK and IBLLC ("**IBUK and IBLLC Client Agreement**"). Where these terms and conditions apply, you will receive services from both IBUK and IBLLC, with IBLLC providing the majority of the brokerage services related to your account.
- If you opt to trade certain products such as non-US index futures and options and certain over-the-counter ("**OTC**") products such as contracts for difference, precious metals and OTC metal futures ("**Covered Products**"), IBUK acts as the account carrier and enters into a bilateral agreement with you ("**IBUK Agreement for Carried Products**"). Your account to trade Covered Products is linked to the account you will have opened under the IBUK and IBLLC Client Agreement and it cannot be opened as a standalone account.
- IBUK is an HMRC-approved Individual Savings Account ("**ISA**") manager. IBUK offers its clients a flexible Stocks and Shares ISA and Junior Stocks and Shares ISA. IBUK acts as the account carrier and has a bilateral agreement with UK customers covering the accounts ("**IBUK General Terms of Business**"). Your ISA account is a stand-alone account and can be opened by clients who do not have a main trading account with IBUK under the IBUK and IBLLC Client Agreement.

	<b><i>IBUK as Account Carrier</i></b>	<b><i>IBLLC as Account Carrier</i></b>
<b><i>Which terms and conditions apply to my account?</i></b>	If your account is subject to the following terms, then IBUK is responsible for protecting your assets and the UK client asset rules will apply:	If your account is subject to the following terms, then IBLLC is responsible for protecting your assets and the US client rules will apply:

	<ul style="list-style-type: none"> <li>• IBUK Client Agreement for Carried Products</li> <li>• IBUK General Terms of Business</li> </ul>	<ul style="list-style-type: none"> <li>• IBUK and IBLLC Client Agreement</li> </ul>
<p><b>How are my assets protected?</b></p>	<p>IBUK provides client money and client safe custody services in accordance with the Financial Conduct Authority's Client Assets regulations ("<b>CASS</b>").</p> <p>Client safe custody assets are fully segregated from IBUK's own assets in accordance with CASS. IBUK has entered into legal agreements with certain sub-custodians, who are also responsible for keeping your assets safe.</p> <p>IBUK takes a number of factors into account when considering which sub-custodians to use, including:</p> <ul style="list-style-type: none"> <li>• Expertise and reputation</li> <li>• Financial standing and legal requirements and market practices related to the holding of safe custody assets in the relevant jurisdiction. IBUK also reviews its selected custodians on an annual basis.</li> </ul> <p>As required by CASS, client money is also fully segregated from IBUK's own money. It is held on a pooled basis in specially</p>	<p>Under U.S. law, different regulatory regimes dictate customer protections for securities and commodities accounts, respectively. IBLLC is both a securities broker and dealer, subject to regulation by the U.S. Securities &amp; Exchange Commission (the "<b>SEC</b>") and a futures commission merchant (an "<b>FCM</b>") regulated by the U.S. Commodity Futures Trading Commission ("<b>CFTC</b>").</p> <p>Accordingly, a securities account with IBLLC is subject to SEC regulation with respect to the handling and segregation of customer fund and assets<sup>1</sup> (the "<b>SEC Customer Protection Rules</b>").</p> <p>Customers who request and obtain trading permissions for commodity futures (including commodity future options) will also have a commodity futures account which is subject to CFTC regulation with respect to handling and segregation of customer funds<sup>2</sup> (the "<b>CFTC Customer Protection Rules</b>").</p> <p>Under the SEC Customer Protection Rules, client money may be:</p> <ul style="list-style-type: none"> <li>• Held in special Reserve Accounts ("<b>Customer Reserve Accounts</b>") at banks. Customer Reserve Accounts are designated for the exclusive benefit of IBLLC's clients. Client money may be distributed</li> </ul>

<sup>1</sup> U.S. Securities Exchange Act Rule 15c3-3

<sup>2</sup> See, e.g., *Commodity Exchange Act 4d(a)(2) and CFTC Regulations 1.11, 1.12, 1.17, 1.20, 1.21, 1.22, 1.25, 1.32, 1.49 and Part 190.*

identified accounts ("**Client Money Bank Accounts**") for the benefit of clients. These accounts are maintained with a number of banks. Prior to opening a Client Money Bank Account IBUK undertakes a thorough due diligence process (including assessing whether the legal and regulatory regimes provide equivalent protection to the UK) and puts in place a formal notification that the account holds client money. This review is updated annually.

Each day, IBUK undertakes checks and reconciliations to ensure that clients are being properly protected:

- A comparison of its records of safe custody assets held for clients to those of each sub-custodian.
- A comparison of the aggregate of the amount of money held for clients according to its records with the amount of client money held in Client Money Bank Accounts, according to both internal records and those of the banks.

across Customer Reserve Accounts at a number of U.S. banks with investment-grade ratings.

- Invested in other allowable assets, including U.S. Treasury securities and reverse repurchase agreements, where the collateral received is in the form of U.S. Treasury securities.
- Pledged to a derivatives clearinghouse to support client margin requirements on securities options positions.

Client money is maintained according to SEC rules on a net basis in the Customer Reserve Accounts, which reflects the net of aggregate client credit balances in excess of aggregate client secured debi balances.

SEC regulations require broker-dealers such as IBLLC to perform a detailed reconciliation of client money (known as the "**Reserve Computation**") at least weekly to ensure that client monies are properly segregated from the broker-dealer's own funds. **IBLLC performs this calculation daily.**

Client securities are held at locations permitted under the SEC Customer Protection Rules in special custody account for the exclusive benefit of customers. Securities in the account are held free of lien or right of offset. Each day, IBLLC undertakes reconciliations to compare its record of fully paid assets held for clients to each custody location.

Under the CFTC Customer Protection Rules, client money may be:

- Commingled with other clients' funds in segregated bank accounts ("**Customer Segregated**")

		<p><b>Accounts")</b> at approved depositories. Customer Segregated Accounts are designated for the exclusive benefit of IBLLC's clients.</p> <ul style="list-style-type: none"> <li>• Invested in certain permitted assets, including U.S. Treasury securities and other safe, highly liquid assets.</li> <li>• Posted to a derivatives clearinghouse in order to margin client positions in CFTC regulated products, including futures and options on futures.</li> </ul> <p>Funds in the Customer Segregated Account ("<b>Customer Segregated Funds</b>") are held on a gross basis, as an FCM may not use funds of one customer for the benefit of another. The Customer Segregated Account must, at all times, maintain at least the required amount of Customer Segregated Funds. In order to avoid a shortfall, FCMs also keep a target amount of their own funds ("<b>Residual Interest</b>") in the Customer Segregated Account as a buffer against the possibility of being under-segregated.</p> <p>FCMs must perform and report Customer Segregated Funds and Residual Interest calculations <b>on a daily basis</b>. FCMs must immediately report to the CFTC any instances of a failure to hold the required amount of funds in the Customer Segregated Account. Additionally, if at any time the FCM falls below its targeted Residual Interest it is also required to notify the CFTC. Further, it may not withdraw more than 25% of its Residual Interest unless the CFTC and relevant self-regulatory organisation(s) are notified.</p>
<p><b><i>Where are my assets held?</i></b></p>	<p>Safe custody assets may be held outside the UK and so may be subject to the laws of that jurisdiction. Where this occurs</p>	<p>In most markets in which IBLLC offers trading, IBLLC (or its affiliates) are self-clearing (meaning that IBLLC or its affiliate are a member of the central clearinghouse</p>

	<p>your rights may differ from the rights that exist in the UK.</p> <p>Client money is held at banks both within and outside of the UK.</p>	<p>in that market). In such markets, IBLLC either holds customer funds directly with the clearinghouse or, where IBLLC's affiliate is a member of the relevant clearinghouse, holds customer funds through an omnibus clearing account at the affiliate, which in turn holds the customer funds at the relevant clearinghouse.</p> <p>In a small number of markets, the Interactive Brokers Group is not self-clearing. In these markets, IBLLC or its affiliate will hold customer funds through a local unaffiliated sub-custodian (commonly a large local bank or carry broker) that is a member of the local clearinghouse for that market.</p>
<p><b><i>Scheme responsible for the protection of your eligible assets in the event of the firm's failure.</i></b></p>	<p>Financial Services Compensation Scheme ("FSCS")</p>	<p>SEC: Securities Investor Protection Corporation ("<b>SIPC</b>")</p> <p>CFTC: Part 190 and relevant sections of the U.S. Bankruptcy Code</p>
<p><b><i>What happens to my assets if a financial services firm cannot meet its financial obligations?</i></b></p>	<p>The FCA's CASS rules require authorised firms to maintain a "resolution pack" to ensure that in the unlikely event of the firm's insolvency, an insolvency practitioner can readily retrieve information with a view to returning client money and assets to the firm's clients on a timely basis.</p> <p>If the firm can't pay claims against it, or if you can't get in contact with the firm or insolvency practitioner, the FSCS may be able to pay compensation. More information about <a href="#">The Claims Process</a> is available on the FSCS website (link opens in a new window).</p>	<p>One of SIPC's main duties is to oversee the liquidation of SIPC member brokerage firms. A Securities Investor Protection Act liquidation is similar to a U.S. bankruptcy case. The liquidation is administered in federal bankruptcy court under the Securities Investor Protection Act and applicable U.S. bankruptcy laws and procedures. SIPC appoints a trustee to oversee the liquidation.</p> <p>SIPC initiates the liquidation process when it receives a referral from a securities regulator such as the SEC or a securities self-regulator such as the Financial Industry Regulatory Authority. A referral is made, and a liquidation occurs when a firm becomes insolvent.</p>

In a SIPC liquidation, customer "net equity" claims receive priority over the claims of general unsecured creditors (who generally cannot receive any distribution unless and until customer net equity claims have been satisfied in full).

With respect to an insolvency in the commodities account, as referenced above, the Customer Segregated Account is segregated from the other business activities of the FCM. Accordingly, in the event of an insolvency of an FCM not caused by a customer default on a futures position that the FCM is unable to cover with house funds, and absent fraud, Customer Segregated Funds should remain fully intact and are typically quickly and efficiently ported, in their entirety, to other FCMs. However, if there is a shortfall in the Customer Segregated Account as a result of either one or more customers' default or fraud by the FCM, that is so great that the FCM is unable to cover the shortfall with house funds, the Customer Segregated Funds in the Customer Segregated Account would be subject to relevant provisions of the U.S. Bankruptcy Code and CFTC Part 190.

In an FCM bankruptcy, a bankruptcy trustee is typically appointed by the bankruptcy court to manage the bankruptcy process and return Customer Segregated Funds to FCM customers. Customers of the insolvent FCM become creditors in the bankruptcy and file claims with the trustee.

Where an entity that is both a broker-dealer and FCM becomes insolvent, the same bankruptcy court will oversee both the SIPC and CFTC-related proceedings surrounding liquidation, and the court will

		generally appoint a single trustee (the " <b>Trustee</b> ") to oversee both aspects of the liquidation / distribution.
<b>Who is covered by the compensation scheme?</b>	FSCS can consider claims for compensation from private individuals, some charities, certain trustees and smaller businesses. Larger businesses are generally excluded.	There is no requirement that a customer reside in or be a citizen of the United States under SIPC or the CFTC Customer Protection Rules. A non-U.S. resident / non-U.S. citizen is treated the same as a resident or citizen of the United States.
<b>Compensation Scheme rules and eligibility</b>	<ul style="list-style-type: none"> <li>• FSCS can only pay compensation when a <a href="#">firm has failed</a> because it is unable, or likely to be unable, to pay claims made against it. We describe this as being 'in default'.</li> <li>• The firm must have been authorised by either the Financial Conduct Authority ("<b>FCA</b>") or the Prudential Regulation Authority ("<b>PRA</b>") at the time you did business with it.</li> <li>• The authorised firm must have been carrying out a regulated activity for you. More information is provided in the section below.</li> <li>• Customers must have suffered a financial loss and there are <a href="#">limits to the amount of compensation</a> that can be paid (see below).</li> </ul>	<p>SEC:</p> <ul style="list-style-type: none"> <li>• SIPC protects cash in a brokerage firm account from the sale of or for the purchase of securities.</li> <li>• Cash held in connection with a commodities trade is not protected by SIPC.</li> <li>• Money market mutual funds, often thought of as cash, are protected as securities by SIPC.</li> <li>• SIPC protects cash held by the broker for customers in connection with the customers' purchase or sale of securities whether the cash is in U.S. dollars or denominated in non-U.S. dollar currency.</li> </ul> <p>CFTC:</p> <ul style="list-style-type: none"> <li>• The CFTC Customer Protection Rules cover Customer Segregated Funds held in the Customer Segregated Account.</li> </ul>
<b>What does the compensation scheme cover?</b>	Investments covered may include stocks and shares, investment funds, unit trusts, futures and options and contracts for differences.	<p>SIPC protects stocks, bonds, Treasury securities, certificates of deposit, mutual funds, money market mutual funds and certain other investments as "<i>securities</i>".</p> <p><b>SIPC does not protect commodity</b></p>

	<p>To check whether your investments are covered, use the <a href="#">FSCS Investment Protection Checker</a> (this link opens in a new window).</p>	<p><b>futures contracts, or foreign exchange trades, or investment contracts (such as limited partnerships) and fixed annuity contracts that are not registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933. Assets held in your IBLLC commodities futures trading account are not protected by SIPC.</b></p> <p>To check whether your investments are covered, refer to <a href="#">What SIPC Protects</a> page on the SIPC website (link opens in a new window).</p> <p>Assets held in your IBLLC commodities/futures trading account are protected under the CFTC Customer Protection Rules. As noted previously, CFTC Customer Protection Rules cover Customer Segregated Funds in the Customer Segregated Account.</p>
<p><b><i>Limit of protection</i></b></p>	<p>The FSCS provides compensation of up to £85,000 per eligible person, per investment firm.</p> <p>The UK regulators, the Financial Conduct Authority and the Prudential Regulation Authority, set the financial compensation limit, which may be subject to change.</p>	<p>SIPC insurance covers client securities accounts for a maximum of \$500,000 (including up to \$250,000 for cash) per customer.</p> <p>Normally, because of the Customer Protection Rule, even when insolvent brokers have sufficient assets to cover all client “net equity” claims. But even if an insolvent broker does not have sufficient assets to cover customer “net equity” claims, SIPC insurance will cover those claims in full up to the limits above.</p> <p><i>In addition</i> to the standard SIPC coverage, client securities accounts at IBLLC are protected under IBLLC's excess SIPC policy with certain underwriters at Lloyd's of London for up to an additional \$30 million (with a cash sublimit of \$900,000) subject to an aggregate limit of \$150 million.</p>

		<p>The CFTC's Customer Protection Rules cover Customer Segregated Assets in the Customer Segregated Account. As a general matter, in an FCM bankruptcy in which there is a shortfall in Customer Segregated Funds (either as a result of a customer default on a futures obligation or because of fraud), non-defaulting customers should typically expect to share pro-rata in the loss.</p>
<b>Currency of reimbursement</b>	Pounds sterling (GBP, £)	United States Dollar (USD, \$)
<b>How do I make a claim?</b>	<p>You can make a claim online. More information about <a href="#">The Claims Process</a> is available on the FSCS website (link opens in a new window).</p>	<p>Claim forms will be made available online at the direction of the Trustee overseeing the liquidation of the insolvent entity. In a SIPC claims process, forms will also be mailed to each customer who had an account with the brokerage firm within the previous 12 months.</p>
<b>How long does it take to be reimbursed?</b>	<p>FSCS will aim to resolve claims as quickly as possible.</p> <p>The amount of time taken for the FSCS to reach a decision will vary from case to case. Where additional information is required, the FSCS need to investigate the firm you are claiming against more broadly before dealing with individual claims or where the matter is particularly complex, this can add delays of weeks or months to an investigation.</p> <p>On average most claims relating to investments are resolved within 12 months.</p> <p><i>Source: FSCS website, 2 April 2024.</i></p>	<p>How quickly claims are satisfied depends on the facts and circumstances of the insolvency, the complexity of the liquidation and the condition of the failed firm's records.</p> <p>Delays can arise when the firms' records are not accurate or incomplete. It also is not uncommon for delays to take place when the brokerage firm or its principals were involved in misconduct.</p> <p>When the records of the brokerage firm are accurate, no misconduct occurred, and - with respect to commodities accounts - there is no shortfall in the Customer Segregated Account, deliveries of some funds to customers may begin shortly after the Trustee receives completed claim forms from customers.</p>

<p><b>Contacting Interactive Brokers</b></p>	<p>You can contact us about your account via the following methods:</p> <ul style="list-style-type: none"> <li>• by sending us a secure message through the Client Portal or via our website at <a href="http://www.ibkr.co.uk/support">www.ibkr.co.uk/support</a>;</li> <li>• in writing at Interactive Brokers, Floor 12, 20 Fenchurch Street, London EC3M 3BY; or</li> <li>• by calling +44 20 3744 7220</li> </ul>	
<p><b>Contacting the Compensation Scheme</b></p>	<p><b>Website:</b> <a href="http://www.fscs.org.uk/">http://www.fscs.org.uk/</a></p> <p><b>Address:</b> Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY</p> <p><b>Email:</b> <a href="https://www.fscs.org.uk/contact-us/">https://www.fscs.org.uk/contact-us/</a></p> <p><b>Telephone:</b> 0800 678 1100 / +44 207 741 4100</p>	<p><b>Website:</b> <a href="http://www.SIPC.org">http://www.SIPC.org</a></p> <p><b>Address:</b> Securities Investor Protection Corporation, 1667 K St. N.W., Suite 1000, Washington, D.C. 20006-1620</p> <p><b>Email:</b> <a href="mailto:asksipc@sipc.org">asksipc@sipc.org</a></p> <p><b>Telephone:</b> +1 202 371 8300</p> <p><b>Website:</b> <a href="https://www.cftc.gov">https://www.cftc.gov</a></p> <p><b>Address:</b> Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington DC 20581</p> <p><b>Email:</b> <a href="mailto:Questions@cftc.gov">Questions@cftc.gov</a></p> <p><b>Telephone:</b> +1 202 418 5000</p>