



Interactive Brokers Central Europe Zrt.

ANNOUCEMENT

on the protection of investors

Effective from: 14 December 2020

This Notice is intended to provide information about the Investor Protection Fund.

1. The Fund operates pursuant to and in compliance with the provisions of Act CXX of 2001 on the Capital Market, effective as of 1 January 2020, governing the Investor Protection Fund, subject to the amendments provided for in Act CXVIII of 2019.

1. The Investor Protection Fund

2. Interactive Brokers Central Europe Zrt. (hereinafter “**IBCE**”) is a member of the **Investor Protection Fund** established and operated in Hungary (hereinafter “**IPF**” or the “**Fund**”).
3. The Investor Protection Fund is a legal entity which provides limited compensation to investors funded from the contributions paid by its members and from other revenues as required under law in the event that any of its members becomes subject to liquidation or insolvency proceedings (i.e. becomes incapable of pay any of the covered client claims due to a lack of funds).
4. Investors that concluded a valid contract with a member of the IPF for any of the covered lines of investment services or ancillary services, may turn to the IPF for compensation whenever the investment service provider is unable to release the assets (securities or money) in their possession and registered under their name pursuant to the contract.
5. If the conditions precedent to compensation are satisfied, the Fund shall compensate investors entitled to compensation for claims up to a **maximum amount of € 100.000** (one hundred thousand euros) **per person and per Fund member on the aggregate**. The amount of compensation paid by the Fund is one hundred per cent up to one million Hungarian forints, and for amounts over the one million Hungarian forint limit, one million forints and ninety per cent of the amount over the one million Hungarian forints.
6. The IPF provides investors no protection for capital losses realized on securities or losses resulting from the insolvency of the issuer of the securities. Issuer shall mean the legal entity which undertakes, in its own name, to comply with obligations materialized in the form of securities. The IPF provides no cover for issuer risks under any securities.
7. All investment firms licensed by the Hungarian National Bank to engage in any of the covered activities, including in particular receiving and transmitting orders, executing orders on behalf of clients, dealing on own account, portfolio management, custody, trust activities, managing securities accounts, managing client accounts, are required to be members of the Investor Protection Fund.
8. IBCE takes a proactive approach to customer protection. IBCE determines the amount of cash and securities owed to customers daily and segregates funds for the exclusive benefit of customers in bank accounts correctly identified as client segregated accounts. IBCE performs a reconciliation of customer money at least daily to ensure that customer monies are properly segregated from the IBCE’s own funds. Customer-owned, fully-paid securities are protected in accounts at depositories and custodians that are specifically identified for the exclusive benefit of customers. IBCE reconciles positions in securities owned by customers daily to ensure that these securities have been received at the depositories and custodians.

9. IBCE applies real-time risk margin requirements to customer accounts. If a customer is deemed to have insufficient assets to cover the risk of their open positions, IBCE typically will perform real-time liquidations of their positions to return the account to margin compliance. IBCE's real-time risk margin requirement and protective liquidations minimise customers' exposure to losses attributable to other customers' trading, and the risk that customer losses pose to IBCE.
10. For more information on the Investor Protection Fund, please visit <http://www.bva.hu> or contact the IPF by writing to: 1092 Budapest, Köztelek u. 6. Fax: 216-7132, e-mail: beva@bva.hu, or calling (1) 216-7130, 216-7131.