

1st June 2020

CYSEC Decision

Announcement date:	01.06.2020	CySEC Decision date:	01.06.2020
Regarding:	Magnum FX (Cyprus) Ltd		
Legislation:	The Investment Services and Activities and Regulated Markets Law		
Subject:	Partial Suspension of CIF licence		
Judicial Review:	Click here	Judicial Review Ruling:	Click here

The Cyprus Securities and Exchange Commission announces that the authorisation of the Cyprus Investment Firm **Magnum FX (Cyprus) Ltd** ('the Company'), **number 359/18**, is **partially suspended**, pursuant to section 10(1) of Directive DI87-05 for The Withdrawal and Suspension of Authorisation ('DI87-05'), as there are suspicions of alleged violations of:

1. Article 25(1) of The Investment Services and Activities and Regulated Markets Law of 2017 ('the Law') as the Company does not appear to act honestly, fairly and professionally when providing investment services to clients.
2. Article 25(2)(b) of the Law as the Company does not appear to assess the compatibility of the financial instruments with the needs of the clients to whom it provides investment services and to ensure that financial instruments are offered or recommended only when this is in the interest of the client.
3. Article 25(3) of the Law as the Company does not appear to provide information, including marketing communications, to its clients or potential clients that is fair, clear and not misleading.
4. Article 25(4)(a) of the Law as the Company does not appear to provide appropriate information to clients in good time.
5. Article 25(5) of the Law as the Company does not appear to provide the information referred to in article 25(4) of the Law to the clients in a comprehensible form.

The suspension of the Company's authorisation concerns the followings:

1. Prohibition to provide investment services to existing clients established in the United Kingdom and prohibition to provide investment services to new clients in general. Company is permitted to provide investment services to existing clients other than those established in the United Kingdom provided that it strictly complies with the prohibition in point (3) below.

2. Prohibition to accept any new client and to enter into any business transaction with them.
3. Prohibition to advertise itself as a provider of investment services. To ensure this the Company is prohibited from marketing/advertising its services to current or potential clients as well as to communicate with them for this purpose, either directly or via third parties with whom the Company cooperates for customer support.

The above decision was reached on the basis of information received by CySEC from the UK Financial Conduct Authority ('FCA') regarding the Company's operation in that market, as the aforementioned alleged violations cause concern and risk relating to the protection of the Company's clients and/or constitute a threat to the orderly operation and integrity of the market.

Within **one (1) month**, the Company must take the necessary actions in order to comply with the aforementioned provisions.

For as long as the suspension of the authorisation is in force, as provided for in section 9 of DI87-05, the Company, provided this is consistent with the wishes of its existing clients, may proceed with the below actions, without such actions being considered as breach of section 7(a) of DI87-05:

1. Complete all its own transactions and those of its clients which are before it, in accordance with client instructions.
2. Return all funds and financial instruments which are attributable to its clients.

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