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PRESS RELEASE

CySEC issues enforcement action on four CFD providers

- Hoch Capital Ltd and Rodeler Ltd must cease all regulated activity
- Magnum FX (Cyprus) Ltd and F1Markets Ltd must cease regulated activity in the UK and marketing to new clients completely
- All four firms are suspected to be in violation of investor protection laws

NICOSIA – The Cyprus Securities and Exchange Commission (‘CySEC’) has today issued separate enforcement actions pending further investigation on four Cyprus Investment Firms, **Hoch Capital Ltd, Rodeler Ltd, F1Markets Ltd, Magnum FX (Cyprus) Ltd** (together, the ‘firms’), for suspected violations of investor protection rules under the Investment Services and Activities and Regulated Markets Law of 2017. The firms all provide investment services in retail complex financial instruments, including FX and Contracts for Difference (‘CFDs’).

CySEC has fully suspended the regulatory authorisation (and approved domains) of **Hoch Capital Ltd** (www.hochcapital.com; www.itrader.com; www.tradeATF.com) and **Rodeler Ltd** (www.rodeler.com; www.24option.com; www.24fx.com; www.grandoption.com; www.quickoption.com). CySEC has partly-suspended the regulatory authorisation (and approved domains) of **F1Markets Ltd** (www.f1markets.com; www.StrattonMarkets.com; www.24CM.com; www.investous.com/eu; www.europrime.com/eu) and **Magnum FX (Cyprus) Ltd** (www.magnumfx.eu; www.ETfinance.eu).

The firms are suspected of not complying with honest, fair and professional rules governing the provision of investment services; the duty to assess the appropriateness and compatibility of financial instruments for clients, and the distribution of fair, clear and not misleading marketing communications.

CySEC’s action is in conjunction with the UK Financial Conduct Authority’s (‘FCA’) prohibition of the firms’ passporting rights to the UK, following information of their respective use of unauthorised and often fake celebrity endorsements on social media to entice customers to trade such financial instruments. The FCA’s action means that the firms must cease all regulated activities with UK consumers and are explicitly prohibited from providing investment services to existing or new clients resident in the UK.

During the period of suspension which will last as long as required, CySEC’s action means that in addition to the specific restrictions on the firms in the UK and in relation to UK clients, **Hoch**

Capital and **Rodeler Ltd** must cease all regulated activities entirely, irrespective of the geography to which they passport investment services under European Union law. **Magnum FX (Cyprus) Ltd** and **F1Markets Ltd** may only provide investment services to their respective existing clients not resident in the UK but are prohibited from engaging in any and all marketing or promotion of investment services and/or onboarding new clients in any European Union member state.

Without prejudice to any further measures that may be deemed necessary, the firms have one month to take the necessary actions to comply with CySEC's enforcement actions.

Demetra Kalogerou, Chair of CySEC, said: *"Since our dedicated supervisory action plan for the CFD industry started in 2015, the conduct of business by Cyprus Investment Firms has improved considerably. Those firms which haven't taken action to comply with both national and European measures to reform the forex and CFD trading industry, have been sanctioned; their licenses suspended pending corrective measures, or banned from regulated activity altogether. Investor protection is our top priority and our actions to this end are ongoing"*

The respective decisions for each of the firms are available for download via CySEC's website, <https://www.cysec.gov.cy/public-info/decisions/>.

ENDS.