

Investor Compensation Scheme
c/o Malta Financial Services Authority
Notabile Road, Attard BKR3000

Claims relating to All Invest Company Limited

Questions And Answers (Q&A)

Common terms you will come across in this Q&A:

“the Company”	All Invest Company Limited
“ICS” or “the Scheme”	Investor Compensation Scheme
“MFSA” or “the Authority”	Malta Financial Services Authority
“Investor” or “claimant”	Clients of the Company who have entrusted money or investments in connection with the Company’s licensed business
“the Regulations”	the Investor Compensation Scheme Regulation – Legal Notice 368 of 2003
“Award”	Award given by the Arbiter for Financial Services in terms of the Arbiters Act XVI of 2016
“Judgement”	Judgement given by a Court

These Q&As may be updated from time to time. Please visit www.compensationschemes.org.mt or call the Investor Compensation Scheme on 80074924 for more information.

1) What is All Invest Company Limited and what has happened to it?

All Invest Company Limited is a Maltese registered entity holding a Category 2 licence in terms of the Investment Services Act (Licence and Other Fees) Regulations.

The Malta Financial Services Authority has, on 5 October 2017, informed the Scheme that on the 4 October 2017 made a determination in terms of regulation 13 of the Investor Compensation Scheme Regulations, Legal Notice 368 of 2003 to the effect that **All Invest Company Limited** is unable, for the time being, for the reasons which are directly related to the Company’s financial circumstances to meet its obligations arising from claims by its investors and to have no early or foreseeable prospect of being able to do so.

2) What does this mean for clients of All Invest Company Limited?

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MFSA has determined that All Invest Company Limited is unable to repay money owed to or belonging to investors and held on their behalf in connection with licensed business; or return to investors any instruments belonging to them and held, administered or managed on their behalf in connection with licensed business.

- a) Investment may have been held by the Company in the name of their client. The Company may have purchased the investment in the name of its client. Where this has been the case, and particularly for investments listed on the Malta Stock Exchange (“MSE”), the investor may wish to confirm that such investments are correctly registered in his name. If this is the case, you may administer your holdings through another licensed financial intermediary, and no claim will be necessary with the Scheme.
- b) Investments may have been held by the Company under Nominee. The Company may have purchased investments in its own name for the benefit of the Client. If such investments have not been returned to the client, a claim may be made to the Scheme for its consideration.
- c) The Company may be holding monies of the Client. If such monies have not been returned to the client, a claim may be made to the Scheme for its consideration.
- d) Clients of the Company may also have obtained a judgement or award in accordance with article 26 (3) (e) of the Arbitrator for Financial Services Act XVI of 2016 in respect of a civil liability against All Invest Company Limited. If such judgement or award has not been settled by the Company, a claim may be made to the Scheme for its consideration.

3) *What is the Investor Compensation Scheme?*

The Investor Compensation Scheme is a rescue fund for customers of failed investment firms which are licensed by the MFSA. The Investor Compensation Scheme Regulations determine the conditions for eligibility to such compensation. The maximum compensation that may be payable by the Scheme amounts to €20,000, or ninety per cent of an investor’s eligible claims, whichever is the lower. Any compensation payable by the Scheme in respect of any judgement or award is limited to €20,000 and the maximum amount of compensation payable to an investor shall be reduced by the amount of compensation so paid.

By paying compensation, the Scheme will be subrogated to the claimant’s rights against All Invest Company Limited – this means that, when applying to recover any money from All Invest Company Limited, the Scheme will ‘step in the shoes’ of the claimant’s rights up to the amount of compensation paid.

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The investor's rights in regard to any other amount for which he/she has not received payment from the Scheme will neither be transferred to the Scheme nor prejudiced in any manner. This applies even for those investments which the investor chooses not to include in his/her claim for compensation. It is therefore advisable that the investor should seek legal advice to assert his/her rights at law.

The Scheme is based on the EU Directive 97/9 on investor-compensation schemes.

4) Will all investors of the Company be eligible to receive compensation from the Scheme?

Generally, all retail investors are eligible for compensation. In accordance with the provisions of the Regulations.

There are a number of investors who are not entitled for compensation. These are listed hereunder:

1. Persons carrying on investment services within the meaning of the Investment Services Act, or equivalent or similar foreign legislation;
2. Credit institutions carrying on the business of banking within the meaning of the Banking Act, or equivalent or similar foreign legislation;
3. Financial institutions within the meaning of the Financial Institutions Act, or equivalent or similar foreign legislation;
4. Insurance undertakings carrying on the business of insurance within the meaning of the Insurance Business Act and the Insurance Brokers and other Intermediaries Act, or under equivalent or similar foreign legislation;
5. Collective investment schemes;
6. Pension and retirement funds;
7. Companies which are of such a size that they are not permitted to draw up abridged balance sheets pursuant to the Companies Act, or under equivalent or similar foreign legislation;
8. Governments and administrative authorities, national and international institutions;
9. Local and municipal councils or authorities;
10. Debt securities issued by the same institution and liabilities arising out of own acceptances and promissory notes;
11. Persons holding accounts which do not disclose the investor's identity;
12. Companies and commercial partnerships in the same group as the licence holder;
13. Directors and managers of the relevant licence holder and members of the licence holder with personal liability, persons holding five percent or more of the capital of such licence holder, the auditors of the licence holder and persons of the same description with respect to a company forming part of the same group of companies as the licence holder;
14. Close relatives, that is, ascendants, descendants or the spouse of the persons referred to in paragraph 13;

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15. Investors who have any responsibility for or have taken advantage of certain facts relating to a licence holder which gave rise to the licence holder's financial difficulties or contributed to the deterioration of its financial situation;
16. Investors in respect of transactions in connection with which a criminal conviction has been obtained for money laundering in terms of the Prevention of Money Laundering Act, or under equivalent or similar foreign legislation;
17. Nominees, trustees or other third parties acting on behalf or in the interest of the persons referred to in this Schedule to the extent of the funds held in such capacity;
18. Professional and institutional investors.

If you are an investor that has used the Company's services and do not fall under any one of the categories listed above, then you can lodge a claim for the consideration of the Scheme.

5) How do I make a claim with the Scheme in relation to All Invest Company Limited?

The Investor Compensation Scheme has published notices in newspapers informing eligible investors on how they may apply for compensation with the Scheme. There are two claim forms which may be applicable;

Claim Form A should be used if the claim covers any of the situations described in Answer 2 (b) (c).

Claim Form B should be used if the claim covers the situations described in Answer 2 (d). In such a case it is advisable to give notice to the Scheme upon the opening of the relative proceedings before the Court or the Arbitrator for Financial Services. Such notice may be given on **Form C**.

You must fill in the applicable claim form if you wish to request compensation from the Scheme. The application forms ask the claimant to set out key information to support his/her claim, such as details and evidence of the investments. The claimant will also be asked to provide further evidence to support his/her claim, such as:

1. Original versions of documentation relating to the investment(s) (e.g. a contract note, investment certificate, or statement) plus a bank statement detailing the sum invested in the investment(s);
2. An authenticated copy of the judgement or arbiters award, where the claim is based on such judgement or award;
3. Any other information as requested by the Scheme.

The more information you give the Scheme, the easier it will be to deal with your claim. This evidence is required by the Scheme in order to verify the individual's claim against other evidence held by the Scheme.

It is very important to fill in the form fully. If you leave out any of the information we ask for, we will return the form to you. This may delay your application for compensation.

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In the eventuality that an investor no longer holds the original contract note relating to the investment/s, because it has been either lost or misplaced or has not as yet been sent by the Company, the investor shall provide the Scheme with other documentary evidence (such as cheque images, bank statements or a receipt issued by the Company) which proves that the investment has indeed been made. It will be at the discretion of the Scheme to decide whether the documentary evidence provided is satisfactory and each claim will be dealt with on a case by case basis.

The claim form, duly completed and signed, should be submitted by registered mail or by hand as follows:

**Investor Compensation Scheme
c/o Malta Financial Services Authority
Notabile Road
Attard BKR 3000**

Re: Claim relating to All Invest Company Limited

6) *Are there any time periods within which to make a claim?*

Those clients of the Company who wish to make a claim in the situations described in Answer 2 (b) (c) may do so by not later than 5 November 2017. The right of an investor to obtain compensation from the Scheme will be forfeited if the claim is not made within this prescribed time-limit.

Those clients of the Company who wish to make a claim in the situations described in Answer 2 (d) may do so by not later than 5 working days from the date when the judgement or award has become a res judicata.

7) *Do I have to inform the Scheme, if I have the intention to initiate proceedings in front of the Arbiter for Financial Services against All Invest Company Limited?*

It is advisable to give notice to the Scheme upon the opening of the relative proceedings before the court or the arbiter for financial services. Such notice may be given on **Form C**.

8) *Do I have to pay anything to have my claim considered by the ICS?*

No. The Scheme does not charge investors for using its service.

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9) Does the Scheme cover companies as well as individuals?

Most retail investors are covered whether they are individuals or companies. Our answer to Question 4 lists some categories of investors who are not covered. However, companies which are permitted to draw up abridged balance sheets in terms of the Companies Act are also covered by the Scheme.

10) How will the ICS determine whether I am eligible for compensation?

Once the Scheme has received a completed application form, it will proceed to assess the claim to determine whether the claimant is eligible for compensation under the Scheme's rules.

All claims will be considered on a case-by-case basis, based on the information presented in the application form along with any accompanying evidence.

The Scheme will have to check carefully every claim for compensation and ensure that every claim is covered by the Regulations before it can process it and issue a refund in terms of the Regulations. If you are not eligible for compensation under the Regulations, we will write to you and explain why.

11) How long will it take for my claim to be settled?

It is advisable that you make your claim at your earliest opportunity. Assuming that you will do so, the Scheme should be able to proceed with the payment of verified claims within three months of the date of the determination.

The Scheme may, in exceptional circumstances, request MFSA to briefly extend this period.

Where a claim is filed with the Scheme on the basis of a judgement or an award, the Scheme is required to proceed with payment within 10 working days from when the judgement or award becomes Res Judicata.

12) What is the level of protection provided by the ICS?

The maximum compensation that may be payable by the Scheme amounts to €20,000, or ninety per cent of an investor's eligible claims, whichever is the lower. Any compensation payable by the Scheme in respect of any judgement or award is limited to €20,000 and the maximum amount of compensation payable to an investor shall be reduced by the amount of compensation so paid. The exchange rate for reckoning these limits in the case of compensation in a currency other than Euro is that applicable on payment.

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By paying compensation, the Scheme will be subrogated to the claimant's rights against All Invest Company Limited. The amount of payment is regulated by LN368 of 2003.

13) Do I have other available means of redress?

Investors should seek legal assistance when determining whether to accept compensation from the Scheme and when considering whether they have other available means of redress.

14) What if an investment is held in joint names or a trust, or my holdings are held under nominee?

Joint accounts are divided equally between account holders where there is no indication of the share of each holder in the account. Each will be covered up to the limits described above, subject to eligibility.

In respect of investments held by a person acting as trustee or nominee for one or more persons, the investment making up the claim shall be deemed to belong to the beneficial owners equally unless there exists specific information which may otherwise determine the beneficial interests of such persons. In this regard, full disclosure of the underlying beneficial owners need to be provided in support of a claim together with supporting documentary evidence.

15) How will compensation be paid to me?

Your application for compensation will be carefully verified to determine its eligibility. Once this is established, the Scheme will write to inform you that payment may be made upon a subrogation of your rights in favour of the Scheme.

The Investor Compensation Scheme will, on paying any compensation, be subrogated in your rights and claims against All Invest Company Limited and against any other party solely with respect to the recovery of the compensation paid to you by the Investor Compensation Scheme. The aforesaid subrogation shall not prejudice any claims that you may have for amounts in excess of the amount paid to you by the Investor Compensation Scheme.

Payment shall be made in the same currency of the investment by cheque or bank transfer in the discretion of the Scheme.