

## **FREEDOM FINANCE EUROPE LTD**

### **DORMANT ACCOUNT POLICY**

Effective from: 11/07/2023

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## 1. Introduction

- 1.1. Freedom Finance Europe Limited (hereinafter called the “Company”) is a Cypriot Investment Firm (“CIF”) registered with the Registrar of Companies under number HE 324220 and regulated by the Cyprus Securities & Exchange Commission (“CySEC”) under license number 275/15 and is under obligation to cooperate with MOKAS.
- 1.2. Following the requirements and/or obligations implemented by the following laws and regulations and in compliance with the current legal framework:
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
  - Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (The Law 87(I)/2017) regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (the “Investment Services and Activities and Regulated Markets Law 2017”)
  - Circular CI144-2012-18 issued on 19 October 2018 regarding the Submission of data in relation to dormant accounts
  - Circular C398 issued on 7 July 2020 regarding Thematic review on the inactivity fees charged by Cyprus Investment Firms

The Company has developed and implemented an adequate Dormant Account Policy adopted by the Board of Directors and is communicated to everyone involved to ensure their commitment to it.

- 1.3. The Company reserves the right to amend the current Policy at any time if such amendment is needed as a result of any changes of the law or regulations or for any reason the Company considers as a proper reason to amend the Policy

## 2. Definitions

- 2.1. **Dormant Account** is *an account that has had no trading or funding activity for a certain period of time except for the posting of interest*. For more details, refer to Chapter 4 of the current Policy.

2.2. **Trading activity** - for more details, please, refer to articles 4.2 and 4.3 of the present Policy.

### **3. Scope and purpose**

3.1. The scope of this policy is to set out:

- the definition of the Dormant Account,
- period and method considered for the classifying Clients' accounts as dormant,
- steps taken by the Company to recognize, reactivate and/or terminate such type of accounts.

### **4. Definition of dormant account and general principles**

4.1. For the purpose of the present Policy the account is considered dormant if:

- it has a zero credit balance, and/or
- the account has been opened over a period of three (3) calendar months, and
- during that period, no trading or funding activities have been carried out in relation to the account by or on the account holder's instructions.

4.2. The term "Trading activities" for the present Policy refers to the buying, holding and/or selling securities, such as stocks, bonds, currencies and commodities.

4.3. All the transactions related to the gifted stock or funds received by a Client from the sale of the gifted stock are considered "Trading Activities". If a Client does not proceed with the trading or other activity and the free gifted stock remains in the Client's account without any activity during three (3) months, the Company will classify the Client's account as dormant.

4.4. The Company will not consider a Client's account dormant if the Company prevents any activity concerning any Compliance investigation.

4.5. In addition, the Company will not consider a Client's account as dormant in the following cases:

- If the holder of the account maintains communication with the company for whatever reason (open complaint, active requests, training, etc.),
- If under the requirements of the current legislation, any deposits, withdrawals, or trading activities are prevented by the Company from a Compliance or AML investigation, or there is a penalty or other disincentive for effecting such actions.
- If the account holder has another active account (s) and the Company maintains direct communication with him.
- If the account holder has another account (s) with a positive credit balance used for interest accumulation (D-account).

## **5. Procedure for dormant account classification**

- 5.1. On ongoing basis, the Company will review and identify the accounts with zero credit balance and/or no trading and funding activity during the period of last 3 months (90 calendar days). The inactivity period may slightly differ due to technical reasons or at the Company's sole discretion.
- 5.2. In 90 consecutive calendar days or more since the last transaction or since the date of the account opening in case of a zero credit balance account without trading or funding activities, the relevant message notifying Clients that their accounts can be classified and treated by the Company as dormant, will be communicated to all non-active Clients by way of email and Client cabinet or supporting managers, who in turn should communicate the message to the Client via mentioned authorised communication channels.
- 5.3. There are three consecutive letters sent to non-active Clients. The original letter is sent on the 90<sup>th</sup> day of the account inactivity. The first reminder is sent five days after the first initial letter. The second reminder is sent five days after the first reminder.
- 5.4. Clients have 30 days after the last communication to respond with the instructions regarding their account. The Client's reply must be sent using the Company's official communication channels only, mainly through the Company's trading platform or application (ticket) or by mail to

[info@freedomfinance.eu](mailto:info@freedomfinance.eu). The Client can ask to deem his account active or close it.

- 5.5. If the Client asks the Company to close his inactive account(s), the AML Compliance Department must confirm that all information regarding that Client account(s) is in line with the KYC and due diligence requirements. The Client's assets are transferred back to the Client's bank account stated in the due diligence documents or to the Client's bank account from where the last funding of the Client's account was done or any other Client's account known and verified by the Company as Client's.
- 5.6. In case of account closure, the Company accrue and deduct all applicable fees as per Appendix 11 of the General Terms of Business.
- 5.7. If the Client has yet to respond in thirty (30) calendar days after the last communication, the Company reserves the right and may, at its sole discretion, classify and treat the such account as dormant.

## **6. Charges and fees**

- 6.1. The Company does not employ any charges or fees imposed to the account being classified as dormant.
- 6.2. All charges and fees applicable to Dormant Account functioning, including but not limited to charges for brokerage, margin, ancillary services, and account termination, are calculated and withheld at the moment of account termination.

## **7. Reactivation of a Dormant Account**

- 7.1. To reactivate a Dormant Account(s), the Client shall contact and inform the Company about his/her intention to reactivate his/her trading account(s).
- 7.2. The Client's Dormant Account will be reactivated, subject to the provision of all the required KYC documentation and any other relevant information by the Client, as prescribed by the applicable Company's KYC procedures.

7.3. Once all the information is gathered, the Client shall proceed with at least one of the following activities:

- 1) deposit funds into his/her account;
- 2) place a trade;
- 3) open or close positions.

7.4. If the Client does not complete the procedure described in this article 7, then the Company may deem the account dormant.

## **8. Closure of a Dormant account**

8.1. A dormant account shall be closed following the Client's written request. If the Client does not explicitly request the closure of his/her trading account, then the account shall remain dormant.

8.2. In nine (9) months from the first communication to the Client regarding a dormant account (12 months period from the last transaction or the date of the account opening in case of zero credit balance account without trading or funding activities) and in the absence of the Client's response the Company reserves the right to close a Client's Dormant Account. Assets in the inactive (dormant) account shall remain owing to the Client, and the Company shall make and retain records and return such assets upon request by the Client at any time thereafter.

## **9. Policy review**

9.1. The present Policy shall be reviewed annually, or whenever a material change occurs, that affects the Company's procedures, principles and requirements related to leverage rates settings.