



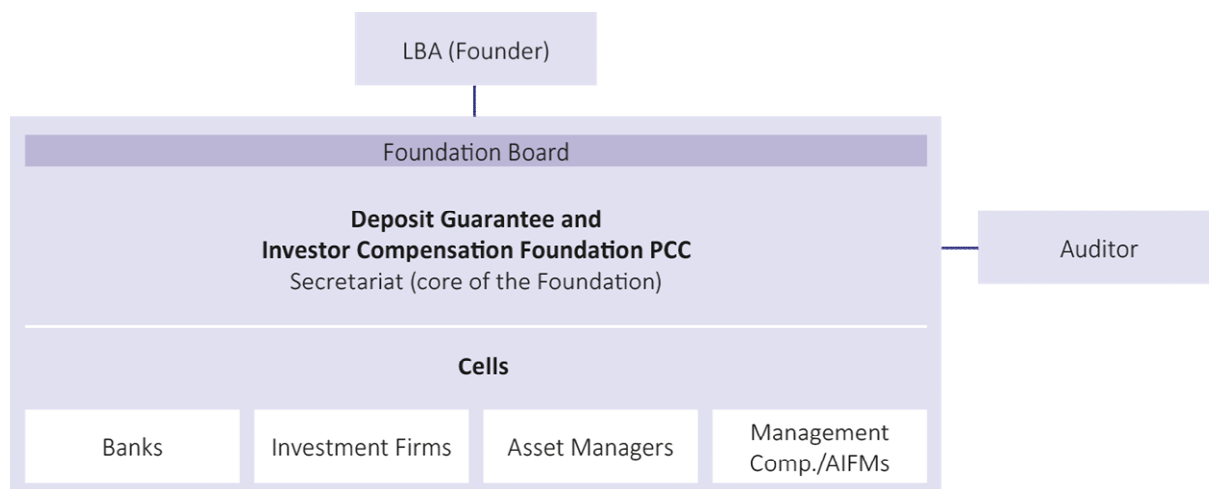
FACTSHEET INVESTOR COMPENSATION

Information to clients of Liechtenstein banks or other financial service providers

About us

EAS is the responsible institution for statutory deposit protection and investor compensation in Liechtenstein. The foundation was established in 2001 by the Liechtenstein Bankers Association (LBA) and has been organised in the legal form of a protected cell company (PCC) since 2015.

The Foundation is preceded by the Foundation Board as the governing body. Operational responsibility and day-to-day business are transferred to the Secretariat appointed by the Foundation Board (core of the foundation). The scheme units responsible for funding and settlement of deposit protection and investor compensation are each structured in separate, distinct cells.



EAS is supervised by the Liechtenstein Financial Market Authority (FMA).

As a combined protection scheme, EAS protects clients of Liechtenstein banks and other financial service providers in a crisis (insolvency, bankruptcy), thereby safeguarding confidence in the Liechtenstein financial centre and promoting the stability of the financial system.

Investor Compensation

The purpose of investor compensation is to cover claims in relation to securities and similar investment instruments that have arisen out of a bank’s or other financial service provider’s inability, in accordance with the legal and contractual provisions applicable to it, to:

- a) repay money owed to or belonging to investors and held on their behalf in connection with investment business, or
- b) return to investors any financial instruments belonging to them and held, administered or managed on their behalf in connection with investment business.

The key features of the investor compensation scheme (‘compensation case’ pursuant to Article 36 of the Deposit Guarantee and Investor Compensation Act; EAG) are briefly summarised for you in the table below:

Key features	
EAS cell	Banks, investment firms, asset managers, management companies/AIFM
Max. coverage	CHF 30,000.00 per person
Investor	Non-professional clients, especially private clients and SMEs
Investments	Transferable securities of all kinds that are traded on the capital market, including blockchain-based financial instruments
Compensation Payment	Bank transfer in CHF within three months after the date on which the eligibility for compensation and the amount of the claim have been determined

Frequently asked questions (FAQ)

When does investor compensation come into effect?
The investor compensation scheme is activated, if a compensation event occurs, i.e. if a bank or other financial service provider is, for the time being, unable to meet its obligations arising out of investors’ claims and without current prospect of future ability at a later stage. This is the case in accordance with Article 36 EAG, if the FMA has, for reasons directly related to the financial circumstances of the member institution, formally determined a compensation event or issued a prohibition on disbursements or a Liechtenstein court has issued a decision that has the effect of suspending the investors' ability to raise claims against the member institution.
Am I entitled to claim compensation from EAS?
All clients who are considered non-professional clients within the meaning of Annex 1, No. 3 BankG are entitled and their investor claims are eligible for compensation payment, i.e. in particular natural persons and SMEs, who have entrusted money or instruments to a licensed Liechtenstein bank or other financial service provider in connection with investment services.

It does not matter what citizenship the client has or in which country he is domiciled/ has the registered office. Claims from institutional investors, large undertakings, companies in the financial services sector and governmental or public bodies and institutions are excluded from investor compensation (Article 38 EAG).

What coverage do foundations or similar legal arrangements and partnerships benefit from?

Domestic and foreign foundations and similar legal arrangements with independent legal personality as well as partnerships or other legal entities or associations or private companies without legal personality are granted the same coverage as an individual private client, irrespective of the number of beneficial owners or shareholders (treated as if made by a single investor). Legal Arrangements in the form of trusts are treated like foundations.

Which instruments or products are eligible for investor compensation?

The following financial instruments (custody account assets) are eligible for investor compensation, from which covered investor claims may arise in connection with investment business as well as ancillary services (list is not exhaustive, see also Appendix 2 Section C BankG):

- Transferable securities of all kinds that are traded on the capital market;
- Fund units;
- Money market instruments;
- Derivatives of the above-mentioned securities; and
- blockchain-based financial instruments which have been issued by means of distributed ledger technology (DLT) and correspond to the characteristics of a traditional security.

Up to which coverage amount (cap) are investor claims covered?

In a compensation event, the respective EAS cell affected by the compensation event will provide funds from the existing cell assets to cover the claims of entitled investors, limited to a maximum amount of CHF 30,000.00 per person or the equivalent of this amount in another currency. The cap applies to an investor's aggregate claim with one and the same bank or investment firm irrespective of the number of existing investment services, the financial instruments held, the currency, or the location of the investments. The total claim is converted into Swiss francs for compensation payment.

What applies to joint investments?

Individual coverage is granted for investor claims up to the applicable coverage amount for each entitled client. For joint investments, the respective share of each individual investor is authoritative for the determination of the compensation claim. Unless special provisions apply, the investments and claims will be attributed in equal shares to the investors.

Are investor claims at foreign branches also covered?

Investor claims, which arise from investments held, administered or managed with a dependent branch of a participating bank or other financial service provider in an EU/EEA member state, are also covered within the scope of EAS provisions. Investments with branches in third countries (e.g. Switzerland, UK) are not protected by EAS.

How do I get notice of a compensation event?

The occurrence of a compensation event will be publicly announced at the EAS-homepage www.eas-liechtenstein.li and other media without delay after knowledge. Eligible investors will also be informed by EAS in writing.

What do I have to do to receive my statutory compensation?

For EAS to make a compensation payment within the statutory period, investor claims must be fully and correctly filed in writing within six (6) months of the occurrence of the compensation event and by submitting account details for the transfer. EAS will provide the necessary registration form. Compensation claims of investors filed in time and duly reviewed will be reimbursed within three months after the date on which the eligibility for compensation and the amount of the claim have been determined, by way of electronic transfer in Swiss francs to an account to be specified by the client.

Is coverage granted also to bank clients?

For eligible bank clients in particular, investor claims are covered up to the maximum coverage amount in addition to deposits in a payout and compensation event, whereby account balances are not reimbursed twice. Claims arising from credit balances in accounts that could be eligible for reimbursement under the statutory provisions both as a covered deposit and as a covered investment are reimbursed in accordance with the deposit protection provisions.

About this factsheet

This factsheet is intended to provide a brief introduction to the EAS investor compensation scheme and is not a substitute for the actual wording of applicable legal provisions.

The information contained in this factsheet is complementary to any information issued by your bank or other financial services provider on opening of an account relationship or opening of a custody account and is not intended to constitute legal or financial advice.

For further information or comprehensive questions & answers please visit our website www.eas-liechtenstein.li or contact us.

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