

MIFIDPRU DISCLOSURES FOR A NON-SNI FIRM

FOR THE YEAR ENDED DECEMBER 31, 2024

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Introduction

Regulatory Context

Under MIFIDPRU 8, the regulatory aim of the disclosures is to enable stakeholders and market participants to gain insight into how the Firm is run. They also aim to help stakeholders make more informed decisions about their relationship with the Firm.

Frequency

The Firm will be making these MIFIDPRU disclosures at least annually. The disclosures will be as at the Accounting Reference Date ("ARD") and published on the date the Firm publishes its annual financial statements. In particular circumstances (e.g., a significant change to the Firm's business model or merger), the Firm will make more frequent public disclosures.

Proportionality

The level of detail provided in the qualitative disclosures is proportionate to the Firm's size and internal organisation, as well as to the nature, scope, and complexity of its business activities.

Media and Location

The disclosure will be published on the Firm's website.

Changes to Information Disclosed

The Firm confirms that there are no significant changes to the information disclosed compared with the previous disclosure periods.

Verification

The Firm's external auditors have not audited the information in this document. Accordingly, this is not a requirement, does not constitute any form of financial statement, and must not be relied upon in making any judgment on the Firm.

Background to the Firm

Background

The Firm is incorporated in the UK and is authorised and regulated by the FCA as a Non-SNI MIFIDPRU Investment Firm. The Firm is a technology-driven financial services firm that provides institutions and direct clients with a full suite of financial solutions. The Firm builds long-term partnerships with clients and provides trading and risk management services that help them gain full, fair, and transparent access to global financial markets. The Firm's most significant risks have been identified as business and operational risks. The Firm has assessed business and operational risks in its ICARA Process and set out appropriate actions to manage them.

Disclosures

The Firm makes these Disclosures on a solo basis as required by MIFIDPRU 8.1.7R.

MIFIDPRU 8.2 Risk Management Objectives and Policies

Risk Management Objective

The Firm has a risk management objective to develop systems and controls to mitigate risk within its risk appetite. The Risk Management Policy sets out these systems and controls.

Governance Framework

The Governing Body of the Firm is responsible for the daily Management and oversight of risk management. It meets regularly and is composed of:

- Daniel Marcus (Chair)
- Barry Crawford (Director and CEO)
- Anders Henrikson (Director)

The Governing Body is responsible for the entire risk management process and for forming its own opinion on the effectiveness of the process. Additionally, the Governing Body determines the Firm's risk appetite or tolerance for risk. It ensures that the Firm has implemented an effective, ongoing process to identify risks, measure their potential impact, and ensure that such risks are actively managed. Senior Management is accountable to the Governing Body for designing, implementing, and monitoring the risk management process and implementing it into the Firm's day-to-day business activities.

The Governing Body reviews the risk management arrangements at least annually to ensure they remain appropriate and effective. Additionally, the Compliance Officer will conduct an annual review of the risk management systems and controls.

Specific Risk Management Objectives

In accordance with MIFIDPRU 8.2.1.R, the Firm considers the risks/harms associated with:

- a) Own Funds Requirements: The Firm does not have any current own funds risks outside its risk appetite. As outlined below, the Firm has sufficient own funds to meet its own funding requirements, which are reviewed monthly.
- b) Concentration Risk: The Firm does not have any current concentration risks outside its risk appetite.
- c) Liquidity: The Firm does not have any current liquidity risks outside its risk appetite. The Firm monitors liquidity daily and provides reports to the Governing Body, covering overall liquidity and the Firm's ability to meet the Basic Liquid Assets Requirement and the Liquid Assets Threshold Requirement.

MIFIDPRU 8.3 Governance Arrangements

Oversight and Accountability for Governance Arrangements

The Governing Body of the Firm is responsible for overseeing the governance arrangements to ensure that the Firm is managed effectively and prudently. The responsibilities include oversight of the strategic objectives, risk strategy, internal governance, the integrity of the Firm's accounting and financial reporting systems, disclosure and communication process, and senior management oversight. In addition, the Governing Body will monitor and assess (at least annually) the adequacy of these arrangements to ensure it has full access to information and documents, thereby enabling it to monitor and oversee the Firm effectively. Full details of the responsibilities and accountability of the Governing Body are set out in the Board's Terms of Reference.

The Governing Body has allocated responsibilities to relevant individuals, which are documented in both the individual's job description and the Firm's Statements of Responsibilities and Certification Staff Register. As part of the allocation of responsibilities, the Firm ensures that there is appropriate segregation of duties to avoid any conflicts of interest and promote the integrity of the market and the interests of the Firm's clients.

Annually, the Firm reviews the skills and attributes of the Governing Body to ensure that all individuals possess sufficiently good reputation, act with honesty, integrity, and independence, provide sufficient challenge, and have the necessary knowledge, skills, and experience to perform their duties. The Firm will also consider whether there is an adequately broad range of experience and whether individuals have sufficient time to perform their functions as part of the Governing Body.

Directorships

As of the date of this report, the number of directorships held by the Governing Body members (both executive and non-executive) is set out below.

Name	Executive or Non-Executive	Number of Directorships
Daniel Marcus	Non-Executive	2
Barry Crawford	Executive	1
Anders Henrikson	Executive	1

The information above does not include directorships held in organisations that do not pursue predominantly commercial objectives, those held within the same group, or within an entity in which the Firm has a qualifying holding.

The Firm is not a significant SYSC Firm and, therefore, does not need to comply with SYSC 4.3A.6R regarding the number of directorships a member of the management body is permitted to hold.

Risk Committee

The Firm does not have a Risk Committee. MIFIDPRU 7.1.4R does not require the Firm to establish a Risk Committee.

MIFIDPRU 8.4 Own Funds

The Firm is a Non-SNI MIFIDPRU Investment Firm. The Firm's own funds calculated as at the accounting reference date, December 31, 2024:

Composition of regulatory Own Funds			
	Item	Amount (£k)	* ¹
1	OWN FUNDS	424	16
2	TIER 1 CAPITAL	424	
3	COMMON EQUITY TIER 1 CAPITAL	424	
4	Fully paid up capital instruments	4	
5	Share premium	763	
6	Retained earnings	(343)	16
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	
19	CET1: Other capital elements, deductions, and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions, and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions, and adjustments	0	

¹ Source relates to reference numbers/letters of the balance sheet in the audited financial statements.

Own Funds: Reconciliation of regulatory own funds to the balance sheet in the audited financial statements.				
Figures in GBP thousands (£k) unless noted otherwise.				
		a	b	c
		Balance sheet, as in published/audited financial statements	Under the regulatory scope of consolidation	Cross-reference to template OFI
		As of period end	As of period end	
Assets: Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Tangible Assets	1,281		
2	Stocks	0		
3	Debtors	(857)		
4	Cash at bank and in hand	424		
5	Total Assets	424		
Liabilities: Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors: amounts due within one year	(857)		
2	Creditors: amounts due after more than one year	(0.4)		
3	Total Liabilities	(857)		
Shareholders' Equity				
1	Called up Share Capital	4		
2	Share Premium Account	763		
3	Profit & Loss Reserves	(343)		
4	Total Equity	424		
Own funds: main features of own instruments issued by the Firm				

MIFIDPRU 8.5 Own Funds Requirement

The Own Funds Requirements of the Firm as of the reference date, December 31, 2024, are:

K-Factor Requirements	Amount (£k)
K-AUM	0
K-CMH	0
K-ASA	0
Sum of K-AUM, CMH, and K-ASA	0
K-COH	0
K-DTF	1
Sum of K-COH and K-DTF	0
K-NPR	0
K-CMG	0
K-TCD	12
K-CON	0
Sum of K-NPR, K-CMG, K-TCD, and K-CON	13
Fixed Overheads Requirement	217

The Own Funds (as set out above) are 424; therefore, the Firm meets the above Own Funds Requirements.

Overall Financial Adequacy Rule

The overall financial adequacy rule requires the Firm to, at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- The Firm can remain financially viable throughout the economic cycle, with the ability to address any potential material harm that may result from our ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or other market participants.

To ensure compliance with the overall financial adequacy rule, the Firm regularly assesses the level of own funds to ensure that it holds at least the higher of:

- The amount of own funds that the Firm requires at any given point in time to fund its ongoing business operations, considering potential periods of financial stress during the economic cycle; and
- The amount of own funds that the Firm would need to hold to ensure that it can be wound down in an orderly manner.

The Own Funds Threshold Requirement is the amount of own funds that the Firm must hold at any given time to comply with the overall financial adequacy rule. As of the date of these disclosures, the Firm meets the overall financial adequacy rule as set out below:

Own Funds	Amount (£k)
Own Funds (as per the above)	424
Own Funds Requirements	Amount (£k)
Permanent Minimum Capital Requirement	330
Total K-Factor Requirement	13
Fixed Overheads Requirement	217
Own Funds Requirement (OFR)	330
Own Funds Threshold Requirement (OFTR) – higher of:	
Own Funds for Ongoing Business Operations (as determined in ICARA)	90
Own Funds required for Wind Down (as set out in the Wind-Down plan)	186
Own Funds Threshold Requirement (OFTR)	330

MIFIDPRU 8.6 Remuneration

Qualitative Disclosures

The Firm has a Remuneration Policy that applies to all employees and contractors. Where an employee or contractor has been identified as a "material risk taker" (or MRT), additional considerations may apply under the Remuneration Policy, approved by the Governing Body at least annually. The Firm does not believe it is proportionate to have a Remuneration Committee. Basis' approach to remuneration for all staff includes:

Overall Principles: Basis considers the performance of the individual, their business unit, and the Firm itself. Therefore, any payment of variable remuneration mustn't affect the Firm's financial soundness. When assessing performance, the Firm considers long-term performance and ensures that the payment of variable remuneration reflects this timescale, taking into account the Firm's business risks during that period.

Components of Compensation: Basis' remuneration includes fixed pay and performance-related pay. Performance-related pay reflects the Firm's financial performance and individual performance. Additional factors considered include the individual's level of seniority and experience, whether the individual performs a control function, whether the individual is an MRT, and market data for similar roles. The Firm ensures that the fixed and variable components of total remuneration are appropriately balanced, with the fixed element representing a sufficiently high proportion of the total compensation. The approach allows complete flexibility concerning variable remuneration, including the ability to pay no variable remuneration

Financial and Non-Financial Performance Criteria: The Firm also considers non-financial metrics when assessing performance in this context. Conduct is the most critical metric within non-financial considerations. Other non-financial metrics the Firm may include:

- the building and maintenance of positive client relationships and outcomes;
- alignment with the Firm's strategy or values, for example, by displaying leadership, teamwork, or creativity;
- adhering to our Compliance Policies & Procedures; and
- meeting other non-financial targets relating to environmental, social, and governance factors, and diversity and inclusion.

Risk Adjustment: The Firm considers both current and future risks, including the cost of capital and its liquidity, when determining the pool of variable remuneration and making any necessary adjustments. This may include adjustments at the business unit level or individual level. In addition, Basis will consider both financial and non-financial risks, including risks to its values, strategy, reputation, and poor conduct, as well as customer outcomes. If the Firm performs poorly financially, it will significantly reduce our total variable remuneration available, including consideration of clawback arrangements for bonuses awarded.

Performance Adjustment: All variable remuneration is subject to in-year adjustments or claw back arrangements. These will specifically apply where an MTR was involved in or responsible for conduct that resulted in the Firm suffering financial loss, or where the MTR failed to meet the standards of fitness and propriety expected of them. The Firm's minimum claw back period is three years. The Firm will establish clawback periods and various MTRs depending on their role at the Firm, associated with the time frame during which the risks could materialise.

Guaranteed Variable Compensation: There are a limited number of occasions where the Firm may guarantee variable remuneration, which are all subject to clawback:

- **Sign-on Bonuses:** The Firm can only pay guaranteed variable compensation as a sign-on bonus remuneration to MTR in the year as a sign-on bonus. Basis must have a solid capital base to do so. The Firm must only make these payments on rare occasions, such as when a new joiner has forfeited their bonus due to leaving their previous employment.
- **Retention Bonuses:** These can only occur at a specific time or after a defined event. This could, for example, be after a restructuring or a specific project.
- **Severance Payments:** Basis ensures that payments to MTRs relating to the early termination of an employment contract reflect their performance over time and do not

reward failure or misconduct. The Firm's policy for making severance payments is subject to contract, as is the maximum amount Basis will pay.

- **Buy-Out Awards:** Basis may offer remuneration packages buying out an MTR's previous employment contract, but only if aligned with the Firm's long-term interests. There must also be provisions on retention periods, deferral, vesting, and risk adjustments corresponding to outstanding, unvested variable remuneration under their previous employment contract.

Material Risk Takers: The Firm has determined that the following types of staff are Material Risk Takers: Senior Management (SMF 3) and Certified Functions staff.

Quantitative Disclosures

The Firm has aggregated the quantitative information on remuneration for senior management and material risk-takers because disclosing information about one or two individuals would lead to the disclosure of sensitive information. The table below presents quantitative data for the MRTs used by Basis in 2024. In accordance with MIFIDPRU 8.6.8R, the Firm confirms the following:

Element of Compensation	Firm Total (£k)	Variable	
		Vested	Unvested
Total Remuneration	420	-	-
Fixed Remuneration	420	-	-
Variable Remuneration	0	-	-
Total Number of MRTs	4	-	-

The Firm has not paid guaranteed variable remuneration or severance payments during the reporting period.

MIFIDPRU 8.7 Investment Policy

The Firm meets the conditions in MIFIDPRU 7.1.4R and, therefore, does not need to make any disclosures in relation to its Investment Policy.
