

Introduction

This MIFIDPRU 8 Public Disclosure (the 'Disclosure') has been prepared by Privalgo Markets Limited ('PML' or the 'Firm') in order to satisfy the regulatory disclosure requirements, set out by the Financial Conduct Authority ('FCA') in the Prudential sourcebook for MiFID Investment Firms ('MIFIDPRU') Chapter 8.

Unless otherwise stated, all figures are as at 31 December 2023, PML's financial year end, with comparative figures for 31 December 2022 where relevant, in accordance with the rules set out in chapter 8 of MIFIDPRU.

This disclosure is made at least annually and in accordance with the MIFIDPRU 8 rules it is published annually concurrently with the Annual Report and Accounts. It is available on the Firm's website: <https://www.privalgomarkets.co.uk>.

PML were authorised by the Financial Conduct Authority ('FCA') on the 10th May 2022 with a scope of permission allowing the Firm to specialise in offering foreign exchange options and forward investments products. Given PML's wide range of permitted activities it is categorised by the FCA as a MIFIDPRU investment firm that is Non Small Non-Interconnected and makes the disclosures below in line with the requirements of MIFIDPRU 8.1.4R.

Governance

PML's governance structure reflects the relatively small size and the non-complex nature of the Firm's business. The Board, as the Firm's management body, has responsibility for the prudent management and defines, oversees and is accountable for the implementation of its governance arrangements.

There is appropriate segregation of duties within PML, including the Heads of Compliance and Finance functions being independent of the trading functions. The Firm has policies and procedures in place to detect and prevent conflicts of interest.

As per MIFIDPRU 8.3.2R the following directorships (executive and non-executive) are held by each member of the management body:

Director	Number of directorships
Zeb Bham (CEO)	3
Richard Chunn	4
Matthew Clarke	3
Daniel Biggs	4
Dawn Knaggs	1

PML are proud to conduct their business in the right way, holding trust and transparency at the heart of everything they do. and in a manner that promotes the integrity of the market and the interests of clients.

Risk management objectives and policies

Given PML's relatively small size and the non-complex nature of the Firm's business the risk management is carried out through board meetings to ensure that procedures, controls and limits are consistent with the Board's expectation and the overall risk appetite of the Firm. The Board has overall responsibility for the establishment and maintenance of an appropriate risk management framework.

PML's Board believes that the risks to which the Firm are exposed are sufficiently mitigated due to the limited product offering, predominantly corporate client base and the processes put in place and managed by experienced financial services professionals.

In terms of liquidity and concentration risk, PML have an obligation to monitor both and maintain on an ongoing basis, the amounts, types, concentration risk of the Firm's cash deposits and distribution of liquidity resources that it considers adequate to cover liabilities as they fall due. The Firm also make quarterly reports to the FCA confirming that the required base liquidity requirement is being retained. Additionally, concentration risk is also subject to an annual 'Client Assets' audit.

PML's Board believe that the risks to which it is exposed to are limited as the Firm does not fund client positions with its own cash and has robust strategies, policies, processes and systems in place to manage margin or collateral calls and identify, measure, manage and monitor liquidity risk.

Own funds

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	1,068	Sum of below
2	TIER 1 CAPITAL		
3	COMMON EQUITY TIER 1 CAPITAL	600	
4	Fully paid up capital instruments		
5	Share premium		
6	Retained earnings	204	
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL		
21	Fully paid up, directly issued capital instruments		

22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL	268	
26	Fully paid up, directly issued capital instruments		
27	share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

Flexible template - rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.

Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.

Figures should be given in GBP thousands unless noted otherwise.

		a	b	c
		Balance sheet as in published/ audited financial statements	Under regulatory scope of consolidation	Crossreference to template OFI
		As at period end	As at period end	

Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements

1	Cash at bank and in hand	1,305	N/A	N/A
2	Debtors falling within one year	20,472	N/A	N/A
3	Creditors falling within one year	(20,609)	N/A	N/A
	Total Assets	21,777	N/A	N/A

Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements

1	Creditors: amounts falling due after more than one year	(300)	N/A	N/A
	Total Liabilities	(20,909)	N/A	N/A

Shareholders' Equity

1	Members Capital	599	N/A	N/A
2	Capital redemption reserve	-	N/A	N/A
3	Profit and Loss reserves	268	N/A	N/A
	Total Shareholders' Equity	868	N/A	N/A

Own funds: main features of own instruments issued by the firm

Members capital and subordinated loan.

In addition to the above, there are two other factors which determine the level of capital required to held by PML under the FCA rules:

- i. Wind Down Costs – PML are required to carry out an ICARA process and identify any additional amounts needed to be held in the event they are required to support an orderly wind down. The Firm's wind down costs do not exceed the Own Funds Requirements detailed above.
- ii. The sum of PML's 'K' factors will determine if more regulatory capital is required beyond the Own Funds Requirement. These are calculated as a percentage of the client money held by the Firm and the size of the trading book.

The Board have reviewed the outcome of the ICARA process and believe that they are meeting the 'overall financial adequacy rule' and at all times held own Funds and liquid assets which are adequate, both in their amount and quality, to make sure PML is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities.

Remuneration

PML does not meet the criteria of an Enhanced Remuneration Code firm and so does not have a separate Remuneration Committee ('REMCO'). Instead the Board perform the REMCO function.

In this role, the Board is responsible for the approval of all compensation including for the members of the Executive Committee and senior staff in control functions, including salary increases, commission levels and bonuses. It seeks seek input from senior management and/or the control functions, as appropriate.

Remuneration structures include but are not limited to fixed salary and discretionary variable bonuses. Given there is commission structure in place there is a direct link pay and performance.