

**Investor protection regulations**  
**PRECONTRACTUAL INFORMATION**

## 1. INTRODUCTION

Law 8/2013, of 9 May, on the organisational requirements and operating conditions of the entities operating in the financial system, investor protection, market abuse and financial guarantee agreements; Law 17/2019, of 15 February, amending Law 8/2013, and its implementing regulations, contain some of the provisions for investor protection contained in the European Markets in Financial Instruments Directive (MiFID).

This legislation regulates the provision of investment or ancillary services and therefore directly affects all individuals and entities acting in financial markets, embracing a very wide public (from investment firms that assess or sell financial products to clients or potential clients).

The aim of the directive that underpins the Andorran legislation is to introduce a common regulatory system and help to build a single market at European level in which standardised financial services are offered between countries. The principal objective is to increase client protection against the providers of financial services by establishing standards of conduct, which the entities must follow.

This document contains a brief presentation of the MoraBanc group, with information on the conditions and features of investment services and on the financial instruments affected by MiFID, which Mora Banc Grup, SA (hereafter referred to as "MoraBanc") make available to you, together with other information of a pre-contractual character that you have a right to know, in accordance with current regulations.

## 2. THE MORABANC GROUP

MoraBanc is a financial group with an international outlook and the objective of attending to its clients' needs and satisfying their expectations, with an organization orientated towards the creation of wealth and quality as its competitive and differentiating element.

Founded in 1952, MoraBanc is a family banking group with 100% of its capital Andorran and in the hands of the founding family.

The main subsidiaries from Morabanc Group are:

### **MORA BANC GRUP, SA**

The group banking entity. The head office is in Andorra la Vella, and there are branches around the country to offer clients the best attention.

Company Registry no. 1,828 and Andorran Financial Authority (AFA) Registry no. EB 06/95.

**Address:** Av. Meritxell, 96. AD500, Andorra la Vella | Principat d'Andorra

**Tel.:** (+376) 884 884 | **Website:** [www.morabanc.ad](http://www.morabanc.ad)

### **MORA GESTIÓ D'ACTIUS, SAU**

This is company, which manages the activities of collective investment institutions, discretionary and individualised portfolio management and investment advice.

Registered with the Andorran Financial Authority (AFA) Registry with code EFI- OI 05/97.

**Address:** Carrer de l'Aigüeta, 3. AD500, Andorra la Vella | Principat d'Andorra

**Tel.:** (+376) 884 884 | **E-mail:** morabanc-am@morabanc.ad

### **MORA ASSEGURANCES, SAU**

The object of this group entity is to provide all kinds of life insurance and reinsurance and for supplementary risks within the life branch.

Entity supervised by the Andorran Financial Authority (AFA).

**Address:** Plaça Coprínceps, 2. AD700, Escaldes-Engordany | Principat d'Andorra

**Tel.:** (+376) 884 884 | **E-mail:** mora.assegurances@morabanc.ad

### **MORA WEALTH MANAGEMENT, AG**

Wealth management firm located in Switzerland.

Member of the Swiss Association of Assets Managers (SAAM).

Commercial register number CH-020.3.033.011.8.

**Address:** Talstrasse, 82. CH-8001, Zurich | Suïssa

**Tel.:** (+41) 44 256 8050 | **Fax:** (+41) 44 256 8051

**E-mail:** info@morawealth.com

### **MORA WEALTH MANAGEMENT, LLC**

Wealth management firm located in the USA.

Regulated by the Securities and Exchange Commission (SEC), with entry number 8-68910.

**Address:** 1450 Brickell Avenue, suite 2900. Miami, FL, 33131. Florida | Estats Units d'Amèrica (EUA)

**Tel.:** (+305) 459 5400 | **Web:** www.morawealth.com

### **MORA WM SECURITIES, LLC**

Broker-dealer located in the USA.

Regulated by the Financial Industry Regulatory Authority (FINRA), with entry number 158599.

**Address:** 1450 Brickell Avenue, suite 2900. Miami, FL, 33131. Florida | Estats Units d'Amèrica (EUA)

**Tel.:** (+305) 459 5400 | **Web:** www.morawealth.com

Information about the supervisory body of the Principality of Andorra:

**ANDORRAN FINANCIAL AUTHORITY (AFA)**

Address:

C/ Bonaventura Armengol, 10.

Ed. Montclar, bloc 2, 4a planta.

AD500 Andorra la Vella (Principality of Andorra)

Tel.: (+376) 808 898, (+376) 865 977 | Fax: (+376) 865 977 | Website: [www.afa.ad](http://www.afa.ad)

### 3. INFORMATION ON THE GROUP BANKING ENTITY

MoraBanc works with the aim of being the best bank for its clients, the best company for its employees, having the best technological response in services for people and being the benchmark bank.

Quality is a competitive and distinctive part of MoraBanc's mission, which we perceive as the fulfilment of both internal and external clients' expectations.

Aware of our enterprise's responsibility to the environment, and the need to find a balance between competitiveness and sustainability that allows business to grow while making a positive contribution to society and the environment, we have undertaken a series of initiatives to guarantee quality and good business practices.

MoraBanc comprises various business areas, the aim of which is to cover the needs of clients, making available to them the most suitable services and products in order to meet their objectives and their needs.

#### 3.1. Communication methods and channels

- Personal contact through the network of MoraBanc branches.
- By telephone, using the Telebanc service (+376 884 884), for clients who have registered for the service.
- Through the website <[www.morabanc.com](http://www.morabanc.com)>.
- By email: [morabanc@morabanc.ad](mailto:morabanc@morabanc.ad).
- Through MoraBanc Digital, for clients who have registered for the service.
- By post.

You can contact MoraBanc to receive communications and other information in **catalan**.

#### 3.2. Regularity of communication with the client

Each investment service has its own frequencies and methods of communication with clients, appearing in the relevant contract.

### 3.3. Complaints and claims

Claims can be made:

- In person, to a MoraBanc manager, who fills in the general claim details and delivers a signed receipt to the client, on request.
- Remotely, by filling in the appropriate form on the website: [www.morabanc.ad](http://www.morabanc.ad).

### 3.4. Services provided

MoraBanc is a global group which makes available to clients the products and services suited to each client profile. In the framework of current regulations, particularly those relating to investor protection, MoraBanc has established procedures and standards of conduct to ensure that it is acting with impartiality, professionalism and in the best interests of the client at all times.

The services affected by these standards are the following:

Investment services:

- Reception, transmission and execution of orders.
- Trading for its own account when the bank acts as the client's counterparty for MoraBanc products
- Discretionary, personalised portfolio management.
- Investment advice.

Auxiliary services:

- Administration and custody of financial instruments
- Currency exchange, when related with the provision of investment services.

### 3.5. Client classification

Since not all clients have the same degree of training and experience in investment, the Community and Andorran regulations require clients to whom services are provided to be classified in established categories so that protection measures can be adapted for each investor according to their classification.

- Eligible counterparty. National and international entities and bodies which must, by nature, act directly and regularly with financial markets.
- Professional clients. This category is for companies, starting from a certain size, and for individuals, who wish to be in this group, following the criteria of the Act. They are granted a higher level of protection than the eligible counterparties are, although they know enough about financial instruments to take their own decisions.
- Retail clients. This refers to all the rest of the clients. They enjoy the maximum level of protection.

### 3.6. Changes of classification

The clients have the right to ask for the classification that MoraBanc has given them to be changed, expressly requesting it in writing. Acceptance of the change is subject to a prior assessment made by MoraBanc following the criteria of the regulations in force.

Additionally, in the specific case of asking for a change from retail client to professional client, it involves making an express waiver of the retail treatment and associated level of protection.

MoraBanc must inform the client about the assignment or refusal of the new classification.

### **3.7. List of instruments and financial products**

#### **3.7.1. Not affected by MiFID**

- Current accounts, savings accounts, etc.
- Fixed term deposits
- Loans, credit policies, etc.
- Warranties and documentary credits
- Pension plans
- Payment means
- All insurance products

#### **3.7.2. Affected by MiFID**

##### **Non-complex products**

- Shares admitted to trading on regulated markets. Money market instruments or bonds containing an embedded derivative.
- Undertakings for Collective Investment in Transferable Securities (UCITS) shares, except hedge funds, private equity, real estate funds and similar.

##### **Complex products**

- Money market instruments, bonds and other forms of securitised debt containing an embedded derivative. Preferred shares.
- Hedge funds and other non-traditional funds, such as private equity, real estate, commodities, etc.
- Derivatives on regulated markets or OTC (futures), options, swaps, warrants, caps, floors, etc.
- Structured products.

These products and their classification are listed simply for information.

#### **3.7.3. Principal risks inherent to the financial instruments affected by MiFID**

Any decision relating to financial instruments bears a series of risks that must be known and evaluated by the client before taking any decision.

Risk is inherent in financial instruments and may result in not obtaining returns or even the loss of the invested capital, in the worst case. The main risks are:

- Price risk
- Exchange rate risk
- Credit risk or insolvency of the issuer
- Liquidity risk
- Leverage risk

Based on the potential exposure of a financial instrument to a specific risk, or a combination of several, the financial instrument is said to have a level of risk from very low to very high.

MoraBanc will provide the necessary information well in advance so that you can make your decisions with full knowledge of the inherent risks associated with the financial instrument you wish to acquire.

### 3.8. How is the product adapted to the client?

In order to adapt the investment products and services offered to the client's characteristics and particular situation, the Act envisages that certain information on the client shall be obtained by means of tests:

- To provide reception, transmission and execution of orders, information about your knowledge and experience of investing and stock markets must be obtained and a suitability assessment made. If the assessment is negative, MoraBanc must inform you that, in the entity's opinion, the product you wish to contract does not suit your characteristics. The legislation establishes that this service may be provided without obtaining the information or assessing the client's knowledge and experience whenever certain specific conditions are fulfilled.
- To provide discretionary portfolio management, under the client's orders, we must assess whether you agree to investment decisions being delegated to a third party and know the implications of contracting this service, and obtain data about your investment objectives and liquidity requirement for these contracts through the discretionary management suitability assessment, to determine the most appropriate management model. If this information is not obtained, MoraBanc will not provide the requested service.
- To provide investment advice, it is necessary to obtain data about your knowledge and experience of investing and stock markets, your investment objectives and liquidity requirement (suitability assessment) to be able to determine the suitability of the product or portfolio. If this information is not obtained, MoraBanc will not provide the requested service. If the product or portfolio is considered unsuitable, Mora Banc must inform you that, in the entity's opinion, the product or portfolio you wish to contract does not suit your characteristics.

### 3.9. Information to the client

The content of the information made available to the client, whether pre-contractual, contractual or post-contractual, is clearly defined.

- **Pre-contractual information:** by the commercial information made available to the client, including this communication, and also information on the characteristics and risks of the products.
- **Contractual documentation:** by signature of a framework contract, also in the contracting for each of the specific investment products or services that the client wishes to contract.
- **Post-contractual information:** by inclusion of communications which are available to the client, in the framework of the provision of investment services and in the requirements of information demanded by law.

### 3.10. Policy on the management and execution of orders

MoraBanc has established an order management and execution policy that involves adopting reasonable measures to obtain the best possible return for its clients' transactions, taking into account a series of factors that are detailed in the policy itself.

In general, the financial instruments for which the bank may offer reception and transmission of orders and, if applicable, execution of orders, on behalf of its clients, are: variable-income securities, money market instruments and ETFs, investment funds, public debt, financial assets and exchange-traded or OTC derivatives, fixed-income securities and structured products.

You can obtain a full copy of the order management and execution policy from MoraBanc branches or on the website [www.morabanc.ad](http://www.morabanc.ad), under the section "Legal Information".

### 3.11. Policy on asset protection

The objective of the policy is to protect the property rights over the client's financial instruments against any supposition of the entity's insolvency and to prevent the use of these financial instruments for its own account.

You can obtain a full copy of the asset protection policy from MoraBanc branches or on the website [www.morabanc.ad](http://www.morabanc.ad), under the section "Legal Information".

### 3.12. General policy on conflicts of interests

Andorran legislation establishes that entities operating within the financial system must adopt suitable organisational and administrative measures to detect and avoid conflicts of interest, and have identified any circumstances that could cause conflicts of interest, defined as situations where a conflict arises between the interests of the MoraBanc group and those of its subsidiaries or specific persons connected to MoraBanc.

The objectives of MoraBanc's general policy on conflicts of interest are:

- i) To identify situations that could generate a conflict of interests (between the MoraBanc group and a client, between the MoraBanc group and its employees, between employees and clients, and between different clients).
- ii) To set out the procedures to be followed and the measures to adopt to prevent, manage and disclose the conflict, as appropriate.

Note that the obligation relating to the management of conflicts of interest does not prohibit them but requires the adoption of reasonable measures to prevent and resolve them, identifying a process of communication with clients when conflicts of interest cannot be avoided.

The MoraBanc group has the following measures in place to avoid and, in any case, efficiently manage any potential conflicts of interest:

- Restricted access to information through individual passwords.
- Monitoring personal transactions, as set out in the codes of conduct.
- Monitoring inside information to prevent, avoid and, if applicable, manage any conflicts of interest that could arise in the processing of inside information, even considering physical separation of the different areas (separated areas) in which potential conflicts of interest have been identified.
- Management, in the Corporate Integrity Management Committee (CGIC), of potential breaches.
- Annual updating of the register for identification of potential conflicts of interest.



You can obtain a full copy of the general policy on conflicts of interest from MoraBanc branches or on the website [www.morabanc.ad](http://www.morabanc.ad), under the section "Legal Information".

### **3.13. Information on expenses and costs**

MoraBanc receives, for providing investment and/or auxiliary services related with the financial instruments affected at any time by MiFID, the commissions established in its Prices Book.

In the case of investment funds, the information on expenses and costs is given in the abbreviated leaflets.

The prices given are taken as maximums.

You can obtain a full copy of the conditions, commissions and expenses charged to clients from MoraBanc branches or on the website [www.morabanc.ad](http://www.morabanc.ad), under the section "Charges and conditions".

### **3.14. Information about the Andorran Deposit Guarantee Fund (Fagadi) and the Andorran Investment Guarantee Scheme (SAGI)**

#### **Basic information about deposit protection**

Law 20/2018, of 13 September, regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee Scheme obliges banking entities to provide actual or potential depositors with the necessary information to identify the Andorran Deposit Guarantee Fund (Fagadi). This information contains at least its name, central office, telephone number, internet address and email, and also any applicable provisions, specifying the amount, the scope of the guarantees offered, and the necessary conditions and formalities for payment of the guaranteed amount.

Deposits at Mora Banc Grup, SA are protected by:	Andorran Deposit Guarantee Fund (Fagadi)
Limit of protection:	100,000 euros per depositor and per banking entity <sup>(1)</sup>
If you have more deposits at the same banking entity:	All your deposits at the same banking entity are added together and the total is subject to the limit of 100,000 euros <sup>(1)</sup>
If you have a joint account with other persons:	The limit of 100,000 euros applies to each depositor separately <sup>(2)</sup>
If you have debts at the same banking entity:	<p>The depositor's debts to the banking entity are not considered when calculating the reimbursable amount, unless the due date of the debts is prior to or the same as the reference dates for calculating the reimbursable amount provided in current legislation, and the legal and contractual provisions governing the contract between the banking entity and the depositor stipulate this.</p> <p>In any case, the banking entities duly inform the depositors, before signing the contract, of any circumstances in which their debts to the entity will be considered or not in calculating the guaranteed amount according to the previous paragraph.</p>
Reimbursement period in the event of insolvency of the banking entity:	20 working days <sup>(3)</sup>
Currency in which the reimbursement is made:	Euro
Contact:	<p>C/ Bonaventura Armengol, 10 Edifici Montclar, bloc 2, 4a planta AD500 Andorra la Vella Principality of Andorra</p> <p>Tel.: (+376) 808 898 Email: fagadi@afa.ad</p>
Further information:	<a href="https://www.afa.ad/fagad">https://www.afa.ad/fagad</a>

### Further information

<sup>(1)</sup> If a deposit is not available because a banking entity is not in a position to fulfil its financial obligations, the Fagadi must reimburse the depositors. The reimbursement will be for a maximum of 100,000 euros per depositor and per banking entity. This means that all the deposits at one banking entity are added together to determine the level of coverage, always up to the maximum level of global coverage by the Fagadi established in Article 20.1 of Law 20/2018, of 13 September, regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee Scheme. If, for example, a depositor owns a savings account with 90,000 euros and a current account with 20,000 euros, he will only be reimbursed 100,000 euros.

<sup>(2)</sup> In the case of joint accounts, the limit of 100,000 euros applies to each depositor.

In some cases, provided in section 2 of Article 8 of Law 20/2018, of 13 September, regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee Scheme, deposits are guaranteed for more than 100,000 euros. You can find further information at <https://www.afa.ad/fagadi>

<sup>(3)</sup> The responsible deposit guarantee scheme is the Andorran Deposit Guarantee Fund (Fagadi), which must reimburse your deposits (up to a maximum of 100,000 euros) on the following terms:

- a) Twenty working days, until 31 December 2018;
- b) Fifteen working days, between 1 January 2019 and 31 December 2020;
- c) Ten working days, between 1 January 2021 and 31 December 2023;
- d) Seven working days, from 1 January 2024.

Until 31 December 2023, if the Fagadi cannot return the reimbursable amount within seven working days, it must pay to the depositors, within five working days after they request it, a suitable amount of their guaranteed deposits so that they can cover their basic needs. This amount will be deducted from the reimbursable amount of the deposits.

The Fagadi will only accede the suitable amount referred to in the previous paragraph based on the Fagadi's own data or data provided by the member entity.

This payment may be deferred in any of the cases provided in Article 10 of Law 20/2018, of 13 September, regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee Scheme.

If the deposit is not reimbursed within this term, you must contact the Fagadi, as there may be a deadline for claiming reimbursement. For further information, visit <https://www.afa.ad/fagadi>

### Other important information

In general, all retail depositors and businesses are covered by the Fagadi. Exceptions applicable to certain deposits can be consulted on the Fagadi website. Your banking entity must also inform you whether specific products are covered or not, on request. If the deposits are covered, the banking entity must also confirm this in the account statements.

### Basic information about investor protection

Law 20/2018, of 13 September, regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee Scheme, obliges banking entities to provide actual and potential investors with the necessary information to identify the Andorran Investment Guarantee Scheme (SAGI). This information contains at least its name, central office, telephone number, internet address and email, and also any applicable provisions, specifying the amount, the scope of the guarantees offered, and the necessary conditions and formalities for payment of the guaranteed amount.

Investments at Mora Banc Grup, SA are protected by:	Andorran Investment Guarantee Scheme (SAGI)
Limit of protection:	100,000 euros per investor and per banking or financial investment entity <sup>(1)</sup>
If you own more than one investment at the same entity:	All your investments at the same entity are added together and the total is subject to the limit of 100,000 euros <sup>(1)</sup>
If you own a joint investment with other persons:	The limit of 100,000 euros applies to each investor separately <sup>(2)</sup>
Reimbursement period in the event of insolvency of the entity:	3 months <sup>(3)</sup>
Currency in which the reimbursement is made:	Euro
Contact:	C/ Bonaventura Armengol, 10 Edifici Montclar, bloc 2, 4a planta AD500 Andorra la Vella Principality of Andorra  Tel.: (+376) 808 898 Email: <a href="mailto:sagi@afa.ad">sagi@afa.ad</a>
Further information:	<a href="http://www.afa.ad/sagi">www.afa.ad/sagi</a>

### Further information

<sup>(1)</sup> If investments are not available because an entity is not in a position to fulfil its financial obligations, the SAGI must reimburse the owners of the investments. The reimbursement will be for a maximum of 100,000 euros per entity. This means that all the investments deposited, administered or safeguarded at the same entity are counted as one to calculate the level of coverage, always up to the maximum level of global coverage of the SAGI established in Article 20.2 of Law 20/2018, of 13 September, regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee Scheme. If, for example, an investor owns shares on deposit or in custody with a value of 90,000 euros and public debt on deposit or in custody of 20,000 euros, he will only be reimbursed 100,000 euros.

<sup>(2)</sup> In the case of joint accounts, the limit of 100,000 euros applies to each investor.

<sup>(3)</sup> The responsible guarantee scheme is the Andorran Investment Guarantee Scheme (SAGI). It must reimburse your investments (up to a maximum of 100,000 euros), within three months of deciding the suitability and value of the investor's position.

If the investment is not reimbursed within this term, you must contact the SAGI, as there may be a deadline for claiming reimbursement. For further information, visit <https://www.afa.ad/sagi>.

### Other important information

In general, all retail investors and businesses are covered by the SAGI. Exceptions applicable to certain deposits can be consulted on the SAGI website. Your entity must also inform you whether specific products are covered or not, on request. If the investments are covered, the entity must also confirm this in the account statements.

### 3.15. Order execution centres

#### EXECUTION CENTRES FOR EQUITIES

Country	Market
Germany	Xetra, Frankfurt, Berlin, Munich, Hamburg
Austria	Vienna
Belgium	Brussels
Denmark	Copenhagen
Finland	Helsinki
France	Paris Nouveau Marché
Greece	Athens
New Zealand	Budapest
Ireland	Dublin
Italy	Milan
Norway	Oslo
Poland	Warsaw
Portugal	Lisbon
United Kingdom	London
Sweden	Stockholm
Czech Republic	Prague
Switzerland	Vix
Australia	Sydney
United States	Amex, Nyse Nasdaq, Arca
Japan	Tokyo, Osaka Jasdaq
China	Hong Kong
South Africa	Johannesburg
Canada	Toronto, Montreal, Vancouver
Singapore	Singapore
Spain	Continuous Market, Madrid, Barcelona, Valencia, MARF, MAB, LATIBEX

## SUMMARY OF INSTRUMENTS, BROKERS AND EXECUTION CENTRES

Type of asset	Type of market	Broker	Execution centre
Equities	Organised market	Instinet BBVA Interdin Crédit Suisse Stiffel KBC Oddo Securities BSCH Daiwa Nomura Mirabaud ISI Group JB Capital JP Morgan Kepler Morgan Stanley N+1 Banco de Sabadell Société Générale Ahorro Corporación Beka Banco Santander MG Valores Flow Traders Gaesgo Intermoney	International stock exchanges
Fixed income	OTC Market	MoraBanc own portfolio	MoraBanc own portfolio
Mora Asset Management investment fund	OTC Market	Mora Gestió d'Actius SAU	
Other investment fund managers	OTC Market	All funds International, KBL	Authorized international fund managers
Derivatives	Organised markets	Gesmosa, Altura	International stock exchanges
	OTC Market	MoraBanc own portfolio	MoraBanc own portfolio
Structured	OTC Market	MoraBanc own portfolio	MoraBanc own portfolio

### **3.16. General**

MoraBanc has designed training programmes for all its professionals and adapted its processes to ensure compliance with current regulations.

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You can obtain a full copy of the order management and execution policy, the asset protection policy and the general policy on conflicts of interest from MoraBanc branches or on the website [www.morabanc.ad](http://www.morabanc.ad).



[www.morabanc.ad](http://www.morabanc.ad)