

# Aksia Europe Limited

## MIFIDPRU 8 Disclosure

### April 2023

#### *Introduction*

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Aksia Europe Limited, (“AEL” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements

AEL is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by AEL in accordance with the requirements of MIFIDPRU 8 and is verified by the Management Committee.

#### *Remuneration Policy and Practices*

##### **Overview**

As an SNI MIFIDPRU Investment Firm, AEL is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”)). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of AEL’s remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not

encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, AEL recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

AEL is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

### **Characteristics of the Firm's Remuneration Policy and Practices**

Remuneration at AEL is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive variable remuneration. Financial performance at the firm level includes factors such revenue, expenditure and profit. Non-financial criteria include factors such as adding and retaining clients, productivity and efficiency increases, and generally contributing to the improvement and growth of the firm.

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

### **Governance and Oversight**

The Management Committee is responsible for setting and overseeing the implementation of AEL's remuneration policy and practices, in conjunction with Aksia LLC's CEO. In order to fulfil its responsibilities, the Management Committee:

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm.
- Ensures that the Firm's remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors, and other stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Firm and of its clients.

AEL's remuneration policy and practices are reviewed annually by the Management Committee.

**Quantitative Remuneration Disclosure**

For the financial year 1 January to 31 December 2022, the total amount of remuneration awarded to all staff was £6,748,383, of which £2,493,327 comprised the fixed component of remuneration, and £4,255,056 comprised the variable component. For these purposes, 'staff' is reflective of individuals directly employed and remunerated by AEL.