



MIFIDPRU 8 Disclosure Statement - CXM Prime Ltd

Disclosure under the public disclosure requirements of the Investment Firms Prudential Regime

For the Year ending 31 December 2023

1. Introduction

CXM Prime Ltd (“CXM Prime or the Firm”) is authorised and regulated by the Financial Conduct Authority (FCA) under firm reference number 966753

The firm is regulated under the Investment Firm Prudential Regime as a Non SNI MiFIDPRU investment firm and is required to make annual disclosures in accordance with MiFIDPRU 8.

As part of our compliance with the Markets in Financial Instruments Directive (MiFID), we are required to provide publicly information relating to capital resources, governance and the categories of material risk or harm it faces to enable clients and third parties to assess the Firm’s risk profile and capital resources on a basis comparable with other regulated investment firms.

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

The reference date is 31 December 2023 which is the Firm’s account reference date and financial year end.

The disclosures will be published on an at least annual basis on the firm’s website - www.cxmprime.co.uk

2. Scope of Disclosure

This disclosure applies solely to **CXM Prime** as an individual entity, given that it does not form part of a consolidation group under **MiFIDPRU 8.6**.



3. Risk Management Framework

The Firm’s risk management framework is designed to identify, assess, mitigate and monitor all sources of risk that could have a material impact on the Firm’s operations. The Board considers that the Company has in place adequate systems and controls with regard to its size, risk profile and strategy and an appropriate array of risk mitigation mechanisms to avoid or minimise loss to the Firm.

Risk Management Objectives and Policies

The Firm has established a risk management framework that is proportionate to its size, nature, and complexity. The firm, as required by IFPR, regularly reviews its Internal Capital Adequacy and Risk Assessment (“ICARA”) process. Key risks include:

- **Operational Risk** – Managed through internal controls, staff training, and IT security policies.
- **Market Risk** – Limited, as the Firm does not engage in proprietary trading.
- **Credit Risk** – Minimal, as the Firm does not engage in lending.
- **Liquidity Risk** – Monitored through regular cash flow analysis and adherence to minimum liquidity requirements under MiFIDPRU 7.

4. Governance and Oversight

The Board of Directors is the governing body of the Firm and is ultimately responsible for the oversight of strategic and risk management decisions. The governance structure includes: -

- **Senior Management Responsibility:** Compliance with SMCR (Senior Managers & Certification Regime).
- **Internal Control Measures:** Regular compliance reviews and financial reporting.
- **Remuneration Policies:** Aligned with regulatory expectations, avoiding incentives for excessive risk-taking.

CXM Prime had two Directors who were in office during the financial year and up to 31 December 2023 were:-



- Ashraf Agha – Chief Executive Officer
- Peter Wilson – Head of Compliance and MLRO

5. Own Funds and Capital Adequacy

As an SNI firm, we are subject to the Permanent Minimum Capital Requirement (PMR) and the Fixed Overheads Requirement (FOR) under MiFIDPRU 4. The Firm maintains:

a. Own Funds

In accordance with MiFIDPRU 8.4 the Firm is required to provide information regarding its Own Funds instruments in addition to how these reconcile to the balance sheet.

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	767	
2	TIER 1 CAPITAL	767	
3	COMMON EQUITY TIER 1 CAPITAL	767	
4	Fully paid up capital instruments	1,201	Page 8, Balance Sheet
6	Retained earnings	(434)	Page 8, Balance Sheet
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	
25	TIER 2 CAPITAL	0	

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

Reconciliation of Regulatory Own Funds to the Balance Sheet in the Audited Financial Statements

	a	b	c
	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
	As at period end	As at period end	
	Amount (GBP thousands)	Amount (GBP thousands)	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
	Current Assets		
	Other debtors	1	Page 14, Note 5
	Cash at bank	1,488	Page 8, Balance Sheet
	Total Assets	1,489	Page 8, Balance Sheet

Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
	Creditors: amounts falling due within one year			
	Trade creditors	1		Page 14, Note 6
	Amounts owed to group undertakings	313		Page 14, Note 6
	Other creditors	388		Page 14, Note 6
	Accruals and deferred income	20		Page 14, Note 6
xxx	Total Liabilities	722		Page 14, Note 6
Shareholders' Equity				
	Called up share capital	1,201		Page 8, Balance Sheet
	Retained earnings	(434)		Page 8, Balance Sheet
	Total Shareholders' equity	767		
Own funds: main features of own instruments issued by the firm				

b. Own Funds Requirements

In accordance with MiFIDPRU 4.3.2 the Firm is required to hold own funds in excess of the greater of the K-Factors, Fixed Overhead Requirement ('FOR') or its Permanent Minimum Capital Requirement ('PMR'). In accordance with MiFIDPRU 8.5 a firm must disclose its K-factor requirements and FOR as detailed below; -

Requirement at 31 December 2023	Total (GBP Thousands)
Sum of K-AUM + K-CMH + K-ASA –	0
Sum of K-COH + K-DTF –	1
Sum of K-NPR + K-CMG + K-TCD + K-CON	0
FOR	109
PMR	750

The Firm is subject to the following K-Factor requirements: -

Client Orders Handled ('K-COH') – £1,231

Net Position Risk ('K-NPR') – Nil

6. Adequacy of Own Funds

In accordance with the Overall Financial Adequacy Rule ('OFAR') a firm must, 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 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; and
- The firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.
- The K-factors and the FOR are the starting point to assess the amount of own funds required to sustain ongoing operations and support an orderly wind down respectively.

As part of the Internal Capital Adequacy and Risk Assessment ('ICARA') process the Firm may determine that additional own funds may be required to cover those risks / harms that are insufficiently covered by the K-factors / FOR. The Firm employs quantitative tools such as stress testing and scenario analysis for this purpose.

The own funds threshold requirement ('OFTR') is calculated as the higher of these two assessments and represents the amount of own funds that a firm needs to hold at any given time to comply with the OFAR.



7. Remuneration Policy and Practices

CXM Prime is subject to the MIFIDPRU Remuneration Code (as laid down in Chapter 29G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook ('SYSC')).

As an SNI firm, the Firm applies proportionate remuneration policies, ensuring they: -

- 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 culture; and
- Discourage behaviour that could lead to misconduct and poor customer outcomes.

The objective of CXM Prime'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.

a. Pension

The firm deducts salary at source for pension contributions, in addition to a small percentage contribution by the Firm.

8. Confirmation

The Board of Directors confirms that this disclosure has been prepared in line with the Firm's regulatory obligations under MiFIDPRU 8 and accurately reflects the Firm's risk profile and capital position.

CXM Prime Ltd is authorised and regulated by the Financial Conduct Authority (FRN: 966753)
CXM Prime Ltd is registered as a Limited Company in England and Wales with Company No. 13407617
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