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**HELLOSTAKE LIMITED [FRN: 830771]**

**MIFIDPRU 8 DISCLOSURES REPORT  
2022**



## Contents

<b>1. Introduction</b>	<b>3</b>
1.1. Business Overview	3
1.2. Prudential Classification	3
1.3. Scope of Application	4
1.4. Regulatory Framework	4
<b>2. Remuneration policy and practices (MIFIDPRU 8.6)</b>	<b>5</b>
2.1. Overview	5
2.2. Remuneration Principles	5
2.3. Quantitative Remuneration Disclosure	6
2.4. Governance and Oversight	7

## 1. Introduction

Hellostake is a private company limited by shares which was incorporated in England and Wales with registration number 11676409. Its registered office is located at 85 Great Portland Street, London, England, W1W 7LT

Hellostake Limited is authorised and regulated by the UK Financial Conduct Authority under the Firm Reference Number 830771. Registered address: 85 Great Portland Street, London, W1W 7LT, United Kingdom.

As a UK investment Firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive ("MIFID"), Hellostake is subject to the prudential requirements of the Investment Firms Prudential Regime ("IFPR") which is contained in the MIFIDPRU Prudential sourcebook for MIFID Investment Firms of the FCA Handbook.

As a MIFIDPRU Investment Firm, **Hellostake Limited** (the '**Company**', '**Firm**' or '**Hellostake**') is obliged to publicly disclose qualitative and quantitative information that are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

The provisions for public disclosure are set out in MIFIDPRU 8 and this document has been produced in order to meet the disclosure obligations of Hellostake. The disclosures are produced annually and are available on the Company's website.

### 1.1. Business Overview

Hellostake operates as a platform provider and offers access to US Stocks and ETFs to clients in the United Kingdom. Hellostake has been authorised and regulated by the Financial Conduct Authority since September 2019. Hellostake is authorised to provide the following services:

- Agreeing to carry on a regulated activity
- Arranging (bringing about) deals in investments
- Making arrangements with a view to transactions in investments

The Firm is part of a global business (Stakeshop Pty Ltd, "Stake") which has a significant presence in Australia and New Zealand where it has established itself prior to launching its offering in the UK.

The Firm recently launched a Stock Lending program through the Company's partner "DriveWealth, LLC" (DriveWealth). Customers who agree to participate in the securities lending program are able to lend all of their eligible, fully paid securities that are lendable.

### 1.2. Prudential Classification

As per the provisions of MIFIDPRU, all UK Investment Firms are either classified as Small and Non-Interconnected ('SNI') or Non-Small and Non-Interconnected ('Non-SNI') FCA investment Firms.

To qualify as an SNI, an FCA investment firm:

- must not carry out activities that have the greatest potential to cause harm to its customers or to the markets in which it operates, and
- must not carry out any activities on such a scale that would cause significant harm to customers or to the markets in which it operates

Further to the above, the table below shows the quantitative thresholds that have been set by the FCA in order to be considered as an SNI:

No.	Metric	Thresholds
1.	Assets Under Management	< £1.2 billion
2.	Client orders handled – cash trades	< £100 million per day
3.	Client orders handled – derivative trades	< £1 billion per day
4.	Assets safeguarded and administered	zero
5.	Client money held	zero
6.	On- and off-balance sheet total	< £100 million
7.	Total annual gross revenue from investment services and activities	< £30 million

Considering the above thresholds, the Company is categorised as a **SNI Investment Firm** since it does meet all of the above criteria and as such it is only obliged to comply with the remuneration policy and practice disclosure requirements.

### 1.3. Scope of Application

This report is prepared on an individual level in accordance with the provisions of MIFIDPRU 8. As a starting point, the Report includes the financial information used in the Company's Financial Statements which are prepared in accordance with the International Financial Reporting Standards ("IFRS"). As the two documents serve different purposes, the reported figures illustrate differences, which lie on the differences of the fundamental concepts between the IFPR and the IFRS.

As a SNI Investment Firm, the Company is obliged to publicly disclose the information as per the provisions of MIFIDPRU 8.6 – Remuneration Policy and Practices

### 1.4. Regulatory Framework

The Report has been prepared in accordance with the regulatory regime for investment firms that the FCA has adopted, the IFPR. The IFPR establishes the prudential requirements in terms of own funds, level of minimum capital, concentration risk, liquidity requirements and level of activity with respect to UK investment firms.

The Company's policy is to publish the disclosures required on an annual basis. The frequency of disclosure will be reviewed should there be a material change in approach used for the calculation of capital, business structure or regulatory requirements.

## **2. Remuneration policy and practices (MIFIDPRU 8.6)**

### **2.1. Overview**

As an SNI MIFIDPRU Investment Firm, Hellostake 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 of the FCA Handbook ("SYSC")). The Firm has a remuneration policy in place which:

- Aims to encourage responsible business conduct;
- Seeks fair treatment of clients;
- Seeks to avoid conflicts of interest in the relationships with clients and;
- Encourages prudent risk-taking.

The objective of Hellostake'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.

The Remuneration policy established applies to all staff members that have a direct or indirect impact on either the investment services provided to the Firm's clients; and/or the Firm's corporate behaviour to the extent that the remuneration of such staff members and similar incentives may create a conflict of interest that encourages them to act against the interests of any of the Firm's clients.

### **2.2. Remuneration Principles**

The below key principles are being followed when designing remuneration practices:

#### **Principle 1: Ensuring clients are treated fairly**

It is the Firm's policy to promote sound and effective oversight and management in order to ensure remuneration policies and practices take into account the interests of all clients, with a view to ensuring that said clients are treated fairly and their interests are not impaired by the remuneration practices adopted by the Firm. The Firm's Policy is consistent with the Firm's risk management objectives. It does not encourage risk taking and promotes a culture that is both risk averse and where the fair treatment of clients is an integral tenet. The Firm ensures that its business strategy, objectives and values do not create a culture where staff are incentivised to place their own, or the Firm's, interests ahead of those of its clients.

## **Principle 2: Ensuring clients' interests are not impaired by the remuneration practices adopted by the Firm in the short, medium and long term**

The Firm provides the platform for its customers to make their own decisions regarding their investments. The Firm has no control over this process nor encourages or provides advice regarding specific investments.

No remuneration is provided to the Firm's employees based on client's investments.

## **Principle 3: Avoiding conflicts of interest between the Firm or its staff members, and clients**

The Firm has a documented Conflicts of Interest Policy and Register in order to identify, manage and monitor the Firm's conflicts. After taking into account the Firm's activities and controls in place, the Firm has concluded that remuneration does not present a significant conflict of interest to the Firm's clients.

### **Fixed and Variable remuneration components**

The Firm's remuneration practices are not solely or predominantly based on quantitative commercial criteria and fully take into account appropriate qualitative criteria reflecting compliance with the applicable regulations, the fair treatment of clients and the quality of services provided to clients.

If variable remuneration is to be offered, the Firm ensures that a balance between fixed and variable components of remuneration is maintained at all times, so that the remuneration structure does not favour the interests of the Firm or staff members over the interests of any client.

The total remuneration for staff is primarily fixed, with the actual amount depending on factors such as market benchmarks, job responsibilities, and individual skills. The Firm strives to provide competitive and equitable compensation that reflects employee contributions.

The variable element of the remuneration may include performance bonuses and employee stock option scheme. Other benefits include a wellbeing and a professional development allowance.

## **2.3. Quantitative Remuneration Disclosure**

For the financial year to 30 November 2022, the total amount of remuneration awarded to all staff is indicated in the table below.

<b>Annual Remuneration as at 30 November 2022</b>			
	<b>Fixed Remuneration £'000</b>	<b>Variable Remuneration £'000</b>	<b>Aggregated Remuneration £'000</b>
<b>Total</b>	<b>326</b>	<b>7</b>	<b>333</b>

The Company's remuneration consists of both fixed and variable remuneration. During the year there was no deferred remuneration, sign-on or severance payments.

## **2.4. Governance and Oversight**

The remuneration policy is designed to discourage excessive risk-taking that could jeopardise the firm's financial stability. Remuneration practices are in compliance with FCA regulations, incorporating risk considerations into performance evaluations and decisions regarding variable compensation (if applicable).

Individuals designated as material risk takers are subject to additional scrutiny and oversight. Their compensation arrangements are designed to align with their roles and the risks associated with their activities, in accordance with FCA regulations.

The policy established is subject to periodic review to ensure its effectiveness, relevance, and compliance with changing regulatory standards. Amendments are made as necessary with the approval of the Board and the Compliance Officer. The Firm's Compliance Officer reviews the Firm's remuneration arrangements pursuant to the policy established, as part of the Firm's compliance monitoring programme.