



Kyte Broking Limited

FCA firm reference number 174863

MIFIDPRU 8 Disclosure

As at 31 March 2025



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1. Introduction and Context

1.1. Firm Overview

Kyte Broking Limited (“KBL” or “the Firm”) is incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority (“FCA” or “the regulator”) in the United Kingdom. The Firm provides execution services to institutional counterparties on listed & OTC derivatives, stocks, bonds, and FX. KBL is categorised as a MIFIDPRU investment firm as defined by the FCA and subject to the Prudential sourcebook for MIFID Investment Firms. As per MIFIDPRU 1.2, KBL is classified as a Non-Small and Non-Interconnected (“Non-SNI”) firm.

1.2. Basis of Disclosure

The Investment Firm Prudential Regime (“IFPR”) was implemented by the FCA on 1 January 2022. The new regime requires MIFIDPRU investment firms to publicly publish disclosures as per the rules set out in MIFIDPRU 8.

The regulatory aim of the disclosure is to improve market transparency in relation to how the Firm is run.

This document has been prepared by KBL in accordance with the requirements of MIFIDPRU 8. Unless otherwise stated, all figures are as at the Firm’s 31 March financial year-end.

1.3. Scope

The Firm has completed this disclosure on an individual basis, as per the rules in MIFIDPRU 8.1.7.

1.4. Frequency

The rules set out in MIFIDPRU 8.1.10R require that the information contained in this document is disclosed at least annually, on the date it publishes its annual financial statements. The Firm considers it appropriate to update the disclosure document more frequently during periods of significant material change to the Firm or business model.

1.5. Media and Location

The disclosure document is published on the Firm’s website:

<https://market-securities.com/regulatory/regulatory-kbl/>



2. Governance

2.1. Organisation Structure

Kyte Broking Limited is a firm based in London, UK. KBL is owned by Market Securities Group Limited (the “Parent”), which is based in Hong Kong. It forms part of the overall Market Securities Group (the “Group”) which includes all firms in which the Parent holds a majority of direct or indirect ownership.

2.2. Governance Framework

The Board is the governing body of Kyte Broking Limited and has the ultimate management authority and responsibility of the Firm and its activities. The Board’s main roles and responsibilities include:

- a) Overseeing related risk management arrangements to ensure effectiveness of risk identification and management
- b) Overseeing compliance with the applicable rules of the FCA and other organisations, as they apply to the Firm
- c) considering the adequacy of the arrangements established to ensure compliance with the Rules and Guidance of the FCA and/or other regulatory bodies, as appropriate;
- d) assessing the risk management strategy of the Firm and, where appropriate, ensuring that risks are adequately managed;
- e) ensuring the compliance function is adequately resourced and has appropriate standing and independence within the Firm; and
- f) considering other topics, as defined by the Board from time to time.

The Board meets on a quarterly basis, or more frequently as needed. As of 19 December 2025, the Board was comprised of:

Name	Title
Alain Fellous	Chief Executive Officer
Jacob Lott	CFO
Sean Fogarty	Head of Legal

2.3. Directorships

Name	Title	Number of External Directorships
Alain Fellous	Chief Executive Officer	2
Jacob Lott	CFO	0
Sean Fogarty	Head of Legal	0

2.4. Committees

Remuneration Committee

The Remuneration Committee is responsible for overseeing the levels of variable and fixed remuneration given to staff to ensure the proportion of variable to fixed is kept at a level the Firm deems appropriate for its risk appetite. It meets on a bi-annual basis.



Audit & Risk Committee

The Audit and Risk Committee (the “ARC”) is responsible for ensuring the appropriateness and effectiveness of the compliance systems and controls and the overall control environment of the Firm, which it assesses at bi-annual intervals and provides a report to the Board of its findings.

Capital Adequacy Committee

The Capital Adequacy Committee (the “CAC”) meets bi-annually. Its key responsibilities and duties primarily consist of the oversight of compliance with the various capital regimes in which the Group operates.

2.5. Diversity

The Firm is committed to promoting equal opportunities in employment. The Firm’s employees and any job applicants will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

The Firm conducts recruitment, promotion, and other selection exercises such as redundancy selection on the basis of merit and against objective criteria that avoid discrimination. Shortlisting is done by more than one person and with the involvement of the Human Resources Department, where possible. The Firm’s recruitment procedures shall be reviewed regularly to ensure that employees are treated on the basis of their relevant merits and abilities.

The Firm’s strong commitment to equal opportunity requires a commitment from every employee and so the Firm enshrines diversity and inclusion within its code of ethics and employee handbook, which is applicable to all employees, including employees of the Firm and members of the Board of Directors of each firm within the Group.



3. Risk Management

3.1. Risk Management Objective and Framework

SYSC 4.4.1R requires that firms have:

- Robust governance arrangements
- A clear organisational structure
- Consistent lines of responsibility
- A clear and effective process to identify, monitor and report the risks the firm may be exposed to
- Internal control mechanisms

The Firm has a Board of Directors which meets bi-annually to review the strategy of the Firm and to review management information and issues escalated as a result of the failure of controls or other adverse indicators.

On behalf of the Board, the ARC undertakes a review of the appropriateness and effectiveness of the compliance systems and controls and the overall control environment of the Firm at quarterly interval and provide a report to the Board of its findings. The Board may also seek independent firm to undertake such review.

SYSC 7.1.2 requires that Firms have:

- Adequate risk management policies and procedures
- Effective procedures for risk assessment
- Identification of the risks relating to the firm's activities, processes, and systems
- Risk tolerance/appetite of the firm

The Firm conducts an operational risk assessment annually (and which may be updated on material changes in the Firm's business model or in response to material events/shocks that materially affect the risk assessment).

The assessment considers the risks that the Firm is exposed to (including liquidity), articulating the risk, the impact if the risk were to crystallise, and the likelihood of it doing so. The assessment also considers whether the residual risk, after mitigating controls and governance are considered, necessitates holding additional capital to protect the Firm in the event the risk crystallises.

3.2. Risk Management Governance

KBL has formalised its corporate governance, risk management and controls to manage its business activities at all levels of the organisation.

The Operational Risk Framework ("ORF") relies on good governance and reporting lines to ensure the effectiveness of the framework. Operational risk is an integral part of the ARC's oversight. In addition to the above review, the committee is used to discuss reporting data, areas of concern, and provides the Head of Risk a forum to receive feedback on the ORF. The ARC is also responsible for validating suitable threshold and priority levels for key operational risk criteria.

The Head of Risk is a standing attendee of the CAC and the ARC. The Head of Risk advises on operational risks which may arise from new business or may have an impact on the Firm's capital. The Risk Team reports directly to the Board. The team also has reporting obligations to the ARC.



Operational risks have been identified across all the Firm's business activities. The Firm has identified its key risks by assessing the likelihood and impact of losses for different operational Risk events.

The use of external data has also been used to identify areas which may need to be addressed. Data from BBA, which KBL joined in 2016 at the FCA's recommendation, has been given consideration. BBA members post operational losses on an anonymous basis to allow other members to view relevant information on operational risks. In addition, the Head of Risk also discussed with each individual department head possible areas that were not covered by either the ICARA or Risk Register.

3.3. Risk Appetite

The Firm has a generally "low" appetite for risk as defined within the scoring system in the Firm's risk assessment matrix. The Firm follows a conventional methodology of identifying risks and controls based on informed estimates and past data of the frequency and impact of risk events to determine a risk score.

Senior management then aims to calibrate controls and the resources available to deliver those risk-mitigating controls in such a way as to render all risks within the "low" rating and the effectiveness of these controls is reviewed as part of the management information (and escalation of material issues) which is sent to the Board ahead of each meeting.

3.4. Key Risks

Operational Risk

The key operational risks centre on cyber security (as they do for every firm using any form of internet-connected technology for its business). The Firm operates a high quality and robust IT platform with backup systems, firewalls, and market standard anti-virus.

The Firm's management receives regular management information relating to IT and related security issues and will use the FCA's FG16/5 document as the basis of its oversight of any proposed third-party IT providers.

The Firm has cyber event coverage within its insurance policy to ensure the mitigation of costs and losses arising from a cyber event. This coverage is dependent upon the Firm meeting certain IT security practice standards which are set out by the insurer. The Firm currently meets these standards.

Credit Risk

The Firm is exposed to a potential credit risk in respect of the cash balances it holds. The Firm conducts regular due diligence on the banks with which its funds are held and aims to have its funds lodged with banks with the highest credit ratings for security. The only "balance sheet broking" undertaken is on a matched principal basis where there is always a matching trade, and the Firm has negligible experience of historic fails of such trades.

As such, the firm considers the risk with respect to these balances to be low and has concluded that no additional capital requirement is needed as a provision to cover the credit risk factor.

Market Risk

The Firm itself does not hold investments in traded securities, nor does it hold securities on its balance sheet for broking with others. The market risk is borne by clients who are seeking to trade via the Firm.

Other Risks

Senior management does not consider there to be any other material risks or broader harms that can be caused to the Firm, clients, or the broader market as a result of the limited activities of the Firm in the sphere of dealing with professional investors. Accordingly, no further capital provision is required.



3.5. Effectiveness of the Firm's Risk Management Process

The Firm believes the risk management processes and controls are appropriate for the Firm based on its activities and size. Through the review of the ORF by the ARC and the Head of Risk, a comprehensive overview of the processes and controls are undertaken, and an opinion is delivered to the Board regarding the findings of the review. The result of the most recent review of the risk management process was that it had performed adequately throughout the period and had helped the Firm avoid significant exposures.

4. Own Funds

4.1. Composition of Regulatory Own Funds

The Firm holds share capital and retained earnings as CET1 capital. As at the Firm's financial year end on 31 March 2025, the firm was in compliance with all applicable capital requirements.

	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	19,605	Statements of Changes in Equity (Page 13)
2	TIER 1 CAPITAL	19,605	Statements of Changes in Equity (Page 13)
3	COMMON EQUITY TIER 1 CAPITAL	19,605	
4	Fully paid-up capital instruments	4,360	Statements of Changes in Equity (Page 13)
5	Share premium	1,740	Statements of Changes in Equity (Page 13)
6	Retained earnings	12,331	Statements of Changes in Equity (Page 13)
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	(26)	Note 13 (Page 24) and Note 15 (Page 25)
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	1,200	Note 18 (Page 26)
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	1,200	Note 18 (Page 26)

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

The table below describes the reconciliation with own funds in the balance sheet as at 31 March 2025, where assets and liabilities have been identified by their respective classes. The information in the table below reflects the balance sheet in the audited financial statements.

		a) Balance sheet as in published/audited financial statements	b) Under regulatory scope of consolidation	c) Cross reference to template OF1
As at period end 31 March 2025				
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible Assets	£23,929		11
2	Tangible Assets	£81,877		
3	Investments	£1,364,013		11
4	Current Assets	£32,734,884		
	Total Assets	£34,204,703		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Current Liabilities	£15,773,387		29
	Total Liabilities	£15,773,387		
Shareholders' Equity				
1	Share Capital	£4,360,000		4
2	Share Premium	£1,740,000		5
3	Retained Earnings	£12,331,316		6
	Total Shareholders' equity	£18,431,316		

4.3. Main Features of Own Instruments Issued by the Firm

Share Capital

- Share capital consists of fully paid ordinary shares of £1 each, with 4,360,000 shares in issuance as at 31 March 2025
- 100% of the called-up share capital is owned by the parent company, Kyte Broking (Holdings) Limited
- 100% of total shareholder's equity is recognised as regulatory own funds capital
- Share capital, share premium and retained earnings have no specific terms and conditions attached to them

On the 18th of September 2025, 100% of the share capital of the Firm was sold by Kyte Broking (Holdings) Limited to Market Securities Group Limited.



5. Own Funds Requirements

5.1. Own Funds Requirement

The Firm must at all times maintain its own funds to be at least equal to its own funds requirement. As per MIFIDPRU 4.3, the own funds requirement is the higher of the:

- i. Permanent Minimum Requirement (MIFIDPRU 4.4R)
- ii. Fixed Overhead Requirement (MIFIDPRU 4.5R)
- iii. K-Factor Requirement (MIFIDPRU 4.6R)

Own funds requirement as at 31 March 2025:

Own Funds Requirement		GBP Thousands
Permanent Minimum Requirement		750
Fixed Overheads Requirements		4,546
K-Factor Requirement	Σ K-AUM, K-CMH and K-ASA	
	Σ K-DTF and K-COH	2,981
	Σ K-NPR, K-CMG, K-TCD and K-CON	

The 'K-factor' approach is was introduced by the IFPR to determine the minimum own funds requirements of an investment firm that is not an SNI. The aim of the K-factors is to provide a tailored and more appropriate method for setting a risk-based minimum own funds requirement for all types of investment firms compared to the CRR regime.

5.2. Approach to Assessing the Adequacy of Own Funds

One of the key aspects of the firm's approach to assessing the adequacy of own funds is the completion of the Internal Capital Adequacy and Risk Assessment (ICARA) process, which assists the Firm in identifying and mitigating potential harms the Firm is at risk of as a result of its activities. As part of the ICARA process, the Firm has conducted assessments of material harms on each of its key risks and conducts a full wind-down plan to ensure it maintains sufficient own funds to conduct an orderly wind-down.

The adequacy of the ICARA process will be reviewed at least annually, or more frequently should there be any material changes to the Firm's risk profile or business strategy. In addition to the ICARA process, the Firm further ensures adequacy of own funds through internal daily and monthly capital measurements and modelling.



6. Remuneration

6.1. Approach to Remuneration

The Firm's Remuneration Policy is applicable to all staff of the Firm, to the extent specified. SYSC 19G.1.24G provides that the term "staff" should be interpreted broadly to include, for example, employees of the firm itself, partners or members (in the case of partnership structures), employees of other entities in the group, employees of joint service companies, and secondees.

6.2. Remuneration Policy

The Firm's Remuneration Policy outlines the policies and processes of remuneration for all the Firm's staff. The policy aims to reflect the Firm's business philosophy of maintaining sound operational and regulatory systems and controls and a strong Compliance culture. The Remuneration Policy is reviewed by Compliance and the Board on an at least annual basis in order to ensure that the terms are in line with current regulatory requirements.

As the governing body, the Board must discharge effective oversight to enable the Firm's arrangements to strengthen prudent risk-taking measures, ensure related conflicts of interest are managed and promote good conduct. Furthermore, the Board ensures prudential obligations, capital requirements, and liquidity management are considered accordingly when determining remuneration paid to employees.

It is the Firm's intention that its Remuneration Policy:

- Discourages risk-taking beyond the Firm's risk appetite;
- Discourages behaviours leading to misconduct and poor customer outcomes;
- Supports good behaviours and healthy firm culture; and
- Establishes and promotes sound and effective risk management practices

6.3. Remuneration Governance

The Remuneration Committee is responsible for oversight of the Firm's remuneration policy and practices. In addition to the Remuneration Committee, input regarding remuneration is also provided by the Board of Directors.

The Remuneration Committee and the Board of Directors are responsible for ensuring that proposed remuneration is in line with the Firm's performance, determined by comparison to both financial and non-financial criteria. The Board of Directors of the Firm are responsible for ensuring that the proposed remuneration is aligned with the Firm's risk approach and all applicable regulatory requirements.

6.4. Material Risk Takers

A material risk taker is defined in SYSC 19G.5.1R as a staff member at a non-SNI MIFIDPRU investment firm whose professional activities have a material impact (as described in SYSC 19G.5.3R) on the risk profile of the firm, or of the assets that a firm manages.

As required in SYSC 19G.5.2R, the Firm assesses which members of its staff are material risk takers at least annually, or more frequently as required, including when staff leave or join the Firm. For the performance year 2024, the Firm identified six material risk takers, all members of the management body.



6.5. Categorisation of Fixed and Variable Remuneration

The Firm is required to make a clear distinction between the criteria for setting its fixed and variable remuneration within the Firm. The Firm operates a flexible Policy whereby remuneration is appropriately balanced, and the fixed award is expected to be a higher proportion of the total Remuneration. Should an exception be identified where the variable component exceeds that of the fixed component, during a financial period, this exception should be highlighted and presented to the Board for review.

Fixed remuneration is set at an appropriate level which ensures that staff are not reliant on variable pay, and thus are not incentivised to take excessive risk.

Variable remuneration within the Firm may include cash bonuses provided by the below schemes:

- Partners Profit Share
- Variable Profit Share
- Annual Bonus

Variable employee remuneration and similar incentives must not be solely, or predominantly, based on quantitative commercial criteria and must take into account appropriate qualitative criteria reflecting compliance with the applicable regulations, the fair treatment of clients, the quality of services provided to clients, and include sustainability and risk adjusted performance measures. As applicable, this criteria is set within each employee's objectives and includes financial and non-financial components.

Consequently, bonus funding and related payment to employees is dependent on several factors, notably overall firm and associated business line performance and then taking the employee's individual performance factors both quantitative and qualitative, accordingly into account.

On occasion, the Firm is permitted to make discretionary awards of variable remuneration to employees, including Material Risk Takers, potentially constituting sign on bonuses, retention awards, severance payments or buy out awards. Such awards must be subject to approval by the Remuneration Committee and the Board of Directors, and a suitable rationale must be documented.

6.6. Remuneration Adjustments

Firm policy permits the adjustment of variable remuneration to take account of specific, crystallised risk, or adverse performance outcomes, specifically those relating to misconduct, serious reputational damage, or significant financial loss. As necessary, the Board of Directors would appoint the appropriate control function to investigate and determine if adjustments are necessary, potentially including clawbacks of variable remuneration awarded. Under Firm policy, the period for potential clawbacks is three years from payment.

Risk and Performance Adjustments

Assessment of the Firm's remuneration arrangements is integral to the internal capital adequacy and risk assessment (ICARA) process. The ICARA is an ongoing assessment, formally documented annually that considers the key risks identified as applicable to the activities of the Firm and the potential impact these may have on the Firm's prudential obligations. Remuneration, and the associated consideration that related structures may promote excessive risk-taking, is specifically integrated into the ICARA process.

The allocation of variable remuneration considers all types of current and future risks, including non-financial risks, in accordance with the MIFIDPRU Remuneration Code. The related structures and processes would be adjusted accordingly, should the overall current and future risk appetite be potentially compromised by the established remuneration arrangements.



Risk and Performance Adjustments for Material Risk Takers

In order to comply with MIFIDPRU Remuneration Code, the Firm is required to have in place processes through which it can, if necessary, reduce the variable remuneration of a Material Risk Taker. The Board reviews proposed remuneration awarded to Material Risk Takers for the annual reporting period and determines whether any proposed increase in fixed remuneration and/or granting of variable remuneration, breaches policy requirements.

Should any potential breaches be identified, the Remuneration Committee will escalate the concerns to the Board for immediate review. If Firm policy has been breached, the Board will request a risk-based adjustment to the relevant Material Risk Taker's proposed remuneration award.

Severance payments may be made to material risk takers at the sole discretion of the Firm and will be assessed strictly in line with the requirements of the MIFIDPRU Remuneration Code 11.8. The Firm's Remuneration Policy states payment of such awards requires approval from the Remuneration Committee and the Board.

6.7. Quantitative Disclosures

Total amount of remuneration awarded to senior management, other material risk takers and other staff:

	Fixed Remuneration	Variable Remuneration
Senior Management	£859,892	£530,577
Other Material Risk Takers	£0	£0
Other Staff	£2,957,514	£686,250
Total	£3,817,406	£1,216,827

The table above details the remuneration, split between fixed and variable, of the employees and material risk takers of the Firm.

For the purposes of this disclosure, staff employed outside of the Firm have been excluded.

There were no guaranteed variable remuneration awards made to Material Risk Takers in the performance period.

There was one severance payment of £43,077 awarded to a Material Risk Taker in the performance period.