



**FX-EDGE**  
TRADING VENUE

**Financial Recovery  
and Resolution Plan**

February 2023

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## **Purpose**

The purpose of this document is to detail the strategy and measures, as well as the Financial Recovery Plan, which the business intends to follow in the event there is a significant deterioration in the financial position of DNKR ZA (Pty) Ltd, the FSP, including how this would be addressed and restored.

## **Regulatory Capital Constraints**

It is best practise to maintain company funds well in excess of the required regulatory capital, so that the business is not at any point caught by surprise by sudden increases in growth and expenditure and the commensurate simultaneous regulatory capital requirements.

In addition to the above regulatory capital, an additional cash (or cash equivalent) buffer is also maintained to meet any other unforeseen business expenditures which may arise.

## **Business Downturn**

Should the above considerable resources not be sufficient to cover the needs of the business during a period of prolonged and dramatic downturn, then the FSP would firstly have at its disposal a bank overdraft facility which could be utilised.

If the above is furthermore not adequate, then the shareholders of the business all have additional personal reserves which they would make available to the FSP (shareholder loan facilities for which non-recourse loan agreement would be put in place).

If all the above are deemed insufficient to meet impending financial requirements to restore the financial situation of the business then the business would look to enact cost-cutting measures, including but not limited to moving to more economical business premises and the reduction of other overhead costs. The latter would however be enacted in an orderly manner without compromising the legal and regulatory function of the business.

If all the attempts at curbing financial losses within the organisation remain unsuccessful, then without either resorting to impairing regulatory capital nor negatively impacting clients, a situation may arise where the decision is taken to affect an orderly wind-down of the business.

## Resolution Plan

If all the attempts at curbing financial losses within the organisation remain unsuccessful, then without either resorting to impairing regulatory capital nor negatively impacting clients, a situation may arise where the decision is taken to affect an orderly wind-down of the business.

An orderly wind-down of business and activities could be implemented by one junior administrative member of staff (however also under the guidance of a director, KI or one senior member of staff).

At no point during the above process is any situation envisaged which could lead to investors being negatively impacted. At worst, the clients would be unencumbered to select another financial service provider of their choosing and resume all activities with immediate effect following any of the above.