

ARQuant Management Limited

MIFIDPRU 8 Disclosure

Introduction

The Investment Firms Prudential Regime (IFPR) came into effect on the 1st January 2022 as a new regime for UK firms authorised under the Markets in Financial Instruments Directive (MiFID). The IFPR was implemented by the FCA as prudential regulation within “MIFIDPRU”, which seeks to address the potential harm posed by investment firms to their clients and the markets they operate in.

ARQuant Management Limited (“ARQuant” or the “Company”) is a MiFID investment firm that is prudentially regulated by the Financial Conduct Authority (the “FCA”).

Pursuant to criteria set out in MIFIDPRU 1.2 rules, ARQuant is classified as a Small Non-Interconnected firm (“SNI Firm”). The Company does not have any additional tier 1 instruments in issue and, accordingly, MIFIDPRU Chapter 8 requires the Company to disclose information regarding its remuneration policies and practices (MIFIDPRU 8.6).

The disclosures are made in respect of ARQuant Management Limited for the year ended 31st December 2023. These disclosures are published on at least an annual basis in line with the annual publication of ARQuant’s audited financial statements, with reference point 31st December 2023. Revised disclosures will be published should significant changes occur to ARQuant’s business model. These disclosures are published on ARQuant’s website.

Overview

As a SNI Firm, ARQuant is subject to the basic requirements of the MIFIDPRU Remuneration Code.

The purpose of the requirements on remuneration are to:

- promote effective risk management in the long-term interests of the Company and its clients;
- ensure alignment between risk and individual reward;
- support positive behaviours and healthy Company cultures; and
- discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of ARQuant’s remuneration policies and practices are 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 Company and the services that it provides to its clients.

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

Remuneration Policy and Practices

Remuneration at ARQuant is made up of fixed and variable components.

Fixed: Fixed remuneration is basic salary which is agreed with an employee at the point of hiring and then may be reviewed annually. It is based on a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment. Also, it is permanent and non-discretionary, non-revocable and not dependent on performance of the individual.

Variable: The variable component of the total remuneration cannot be guaranteed to any employee and is fully discretionary. Any variable remuneration received is conditional on meeting of individual objectives, departmental objectives and the Company's overall performance as well as the Company's capital requirements.

The fixed and variable components of remuneration are considered to be appropriately balanced. The board of directors periodically reviews the variable remuneration levels against the fixed remuneration levels to ensure that they remains appropriately balanced.

Governance and Oversight

Given the size, internal organisation and the nature, scope, and complexity of the activities of the Company it does not have a Remuneration Committee. The remuneration policy is therefore the responsibility of the Company's Board as a whole.

The Company's Board is responsible for setting and overseeing the implementation of ARQuant's remuneration policy and practices. In order to fulfil its responsibilities, the Board:

- is appropriately staffed to enable it to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity;
- ensures that the Company's remuneration policy and practices take into account the long-term interests of the Company's shareholder(s) and other stakeholders in the Company; and

- ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Company and of its clients.

The Company's remuneration policy and practices are reviewed at annually by the Board.

Quantitative Remuneration Disclosure

For the financial year to 31 December 2023, the total amount of remuneration awarded to all staff was £90,264 of which £80,638 comprised the fixed component of remuneration, and £9,626 comprised the variable component.