



MIFIDPRU Disclosure 2025  
Britannia Global Markets Limited

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## 1. Introduction

Britannia Global Markets Limited (“Britannia”, “BGM”, “the Firm”) is regulated by the Financial Conduct Authority (“FCA”) as a Markets in Financial Instruments (“MiFID”) firm and subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investment Firms (“MIFIDPRU”) handbook. For the purposes of MIFIDPRU, the Firm has been classified as a full scope 750k non-small non-interconnected (“non-SNI”) MIFIDPRU investment firm.

Britannia is required to publish disclosures in accordance with the provisions and guidance outlined in MIFIDPRU 8 of the IFPR, which will be prepared at least annually on a solo entity (i.e. individual) basis following the publication of the annual financial statements and published on the firm’s website - <https://www.britannia.com/gm>. The disclosed information is proportionate to Britannia’s size and organisation, and to the nature, scope, and complexity of Britannia’s activities.

In accordance with the provisions of MIFIDPRU, Britannia is currently required to provide disclosure on its:

- (i) Risk management objectives and policies (MIFIDPRU 8.2)
- (ii) Governance arrangements (MIFIDPRU 8.3)
- (iii) Own funds (MIFIDPRU 8.4 and 8.5)
- (iv) Remuneration policies and practices (MIFIDPRU 8.6)
- (v) Investment policy (MIFIDPRU 8.7)

This Public Disclosure Document has been prepared based on the audited financials as at 31<sup>st</sup> December 2025, covering the financial period 1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025.

## 2. Risk Management Objectives and Policies

In accordance with MIFIDPRU 8.2, Britannia is required to disclose its risk management objectives and policies for the following categories:

- (i) Own funds requirements (MIFIDPRU 4)
- (ii) Concentration risk (MIFIDPRU 5)
- (iii) Liquidity (MIFIDPRU 6)

The overarching Risk Management architecture is governed by the Risk Management Framework (“RMF”). The RMF covers the risk management of all financial and non-financial risks faced by the Firm, with clear policies and procedures in place to effectively manage, mitigate, or accept these risks. There is also a clear escalation procedure embedded within the risk management of the firm to ensure effective escalation of any risks outside of the BGM Board approved Risk Appetite. BGM has implemented the Three Lines of Defence model, designed to enable the First, Second and Third Lines of Defence to work together effectively, based on a single framework, common dataset, clear accountabilities, and a standardised risk taxonomy. This process ensures all three lines of defence are aligned with the level of Risk that is acceptable and should be taken. Monthly Executive and Risk Committee meetings, along with quarterly Board meetings, are in place at BGM to allow for the efficient and effective reporting and escalation of Risks faced by the Firm, however escalation may be immediate.

Risk Appetite is the amount of risk that a Firm is willing to accept or retain to achieve its objectives and deliver its services, externally and internally. Risk Appetite levels are set for each of the headline risks defined within the RMF and are approved by the Board, in consultation with the Head of Risk, setting the risk-taking boundaries within which the Executive and senior management execute the

firm's business strategy and seek to achieve its objectives. Risk Appetite Statements are reviewed and approved by the Board on an annual basis or post a significant change in the size, nature, or structure of the business, or significant market change.

As contained within the RMF, BGM has implemented, via segregated functions and reporting structures, a "three lines of defence model" designed to safeguard the internal control framework.

### The First Line of Defence

The First Line has the primary responsibility for taking and managing risk within the Firm's risk appetite boundaries and driving the delivery of services, thus achieving the business objectives held by the executive team. The First Line of Defence encompasses day-to-day risk-mitigating activities, designed to create an adequate control environment.

Managerial and supervisory controls further highlight any control breakdowns, process inadequacies, or unexpected events. All employees should proactively and continuously identify new and emerging risks. The first line includes the Front Office, Operations, and support functions of Legal, Finance and Human Resources.

### The Second Line of Defence

The Second Line of Defence comprises functions that perform risk processing and advise, monitor, and report on First Line activities and oversee adherence to the RMF. Second line functions include Risk, Compliance, and Finance.

Representatives from all relevant functions, as well as the business, assist the CEO in fulfilling their responsibilities in the day-to-day conduct of the Company through effective risk management. Matters of concern can be escalated, as necessary, to the relevant committees in place. A dedicated Head of Risk and Risk team covering Market, Credit and Operational Risk provide specialised attention to risk management within BGM. The Company also maintains its own Finance department, led by the CFO, which, alongside the Risk team, monitors BGM's Capital and Liquidity Risk and escalates concerns directly to the CFO, the Risk & Compliance Committee and ExCo.

### The Third Line of Defence

The third line of defence is the activity of an external audit company, which performs an assessment of the risk and controls of the business. The Firm has also engaged Ernst & Young to provide outsourced internal audit services. They have conducted an initial assessment of various areas of interest in the firm in 2025 and will pursue a targeted approach from 2026 onwards focussing on detailed testing of specific areas. This provides a more robust third line of defence for the firm.

### Own Funds Requirement

BGM calculates the K-Factors under MIFIDPRU 4.6 which define the required capital of the Firm to continue current activities, which are detailed further within the Own Funds Requirement section of the disclosures. These K-Factors are grouped into 3 sections:

- (i) Risk to Client ("RtC")
- (ii) Risk to Markets ("RtM")
- (iii) Risk to Firm ("RtF")

The Board ensures that sufficient capital is always held within the Firm to adequately cover the Own Funds Requirement, and the business strategy of the firm does not present a risk to the continuation of capital requirement coverage. BGM's Board is responsible for assessing the Firm's internal capital need in a way that is consistent with its risk profile and operating environment.

The RMF, associated Risk Appetite Statements, Committees, and the internal controls work to achieve this while accepting risk in the normal course of business. New business or acquisitions are fully assessed for potential capital requirements during the due diligence phase and prior to approval.

## Concentration Risk

MIFIDPRU 5 only applies to positions or exposures arising when dealing on own account and/or trading in own name when executing client orders, and as such does not apply to BGM. However, as the Firm does have permission to deal on own account, and for the sake of prudence, BGM calculates its hypothetical exposure values using the K-TCD approach and, per MIFIDPRU 5.5, monitors its exposures in relation to the 'soft' limit on a daily basis. The concentration risk soft limit for exposure values to an individual client or group of connected clients, where the client/group of clients is a credit institution or investment firm, is the higher of 1) 25% of own funds, or 2) £150 million or 100% of own funds, whichever is lower. In practice for BGM, this equates to 100% of own funds, being £31,456,960. Where the individual or group of connected clients is not a credit institution or investment firm, the soft limit is 25% of own funds, being £7,864,240 in BGM's case. K-CON should be calculated in accordance with MIFIDPRU 5.7, and an aged analysis should be conducted, where any exposure value exceeds the soft limit.

In accordance with MIFIDPRU 5.9, where a position were to arise when dealing on own account, BGM would not be permitted to exceed the 'hard' limits on concentration risk, being an exposure, or group of exposures, which exceeds 500% of the Firm's own funds for a period up to 10 business days. If an exposure were to persist for greater than 10 days, and the aggregate exposure value excess exceed 600% of own funds, the Firm would breach the requirement set out in MIFIDPRU 5.9.1R, and would be required to notify the FCA of the amount of the exposure, the name(s) of the client(s) concerned, and any steps taken, or intended to be taken, in order to rectify the breach and prevent any future occurrences.

While BGM is not currently required to report its concentration risk under MIFIDPRU 5, it does report all large exposures as part of the quarterly MIF004 – Non-K-CON Concentration risk monitoring return, in accordance with MIFIDPRU 9 Annex 2G.

## Liquidity

Liquidity Risk is governed by the Board approved Liquidity Risk Management Framework ("LRMF"). The Board ensures that sufficient excess liquidity is always held within the Firm to adequately cover potential liquidity stress following a period of volatility or market event. New business or acquisitions are fully assessed for potential future liquidity requirements during the due diligence phase and prior to approval.

## ICARA

BGM compares the K-Factors calculated under MIFIDPRU 4.6, which define the required capital of the Firm, to the internal risk assessment under ICARA to highlight the additional capital requirements, or

Additional Own Funds (“AOF”), under ICARA. Effective governance of BGM requires ownership of the ICARA by the Board. Policies and procedures are in place to embed the ICARA throughout the business.

### 3. Governance Arrangements

SYSC 4.1.1 requires all firms to have robust governance arrangements and effective processes for managing risks. It also requires all institutions to have in place sound and effective strategies to assess and maintain adequate capital, having considered the nature and level of their risks in a forward-looking manner.

The Board works to ensure that the FCA’s Principles for Businesses as set out in the FCA Handbook’s Principles for Businesses Sourcebook (PRIN) and all other regulatory obligations are abided by in the conduct of BGM’s business. Decisions are only made after taking into consideration the Firm’s regulatory obligations and the interests of clients, employees, and other stakeholders.

#### The Board of Directors

BGM’s Board is the Firm’s governing body and retains primary responsibility for the activities of the Firm.

The role of the Board is to provide overall governance and strategic direction by applying sound business judgment in BGM’s best interests, in the interests of the Firm’s customers and of the markets. The board is responsible for setting strategy, approving risk appetite, business planning and oversight of management's execution of strategy and plans.

The composition of the Board during 2025, and the subsequent period prior to the approval of this document, was:

- Benjamin Hepden – SMF3 (Executive Director)
- Jose Francisco Herrera – Non-Executive Director
- Mark Bruce – SMF3 (Executive Director) (resigned 16/12/2025)
- Richard Lewis – Independent Non-Executive Director (resigned 01/12/2025)
- Stephen Pettitt – SMF1 (Chief Executive Officer)
- Martin Ryan – Non-Executive Director (appointed 19/02/2025)
- Francisco Gonzales – Non-Executive Director (appointed 29/01/2026)

Appointment of Board members is undertaken in accordance with Senior Management, Systems and Controls Sourcebook (SYSC), which forms part of the FCA’s Handbook and MIFIDPRU requirements. Potential conflicts of interests, and any additional directorships held by Board members are monitored in accordance with SYSC requirements.

The Board’s structure and the character and integrity of the individual Directors serves to ensure that no one individual or group dominates the decision-making process.

## Directorships

Name	Position	External Directorships held	
		Executive	Non-Executive
Benjamin Hepden	SMF3 (Executive Director)	0	0
Jose Francisco Herrera	Non-Executive Director	11	0
Mark Bruce	SMF3 (Executive Director)	0	0
Martin Ryan	Non-Executive Director	5	0
Richard Lewis	Independent Non-Executive Director	2	0
Stephen Pettitt	SMF1 (Executive Director)	2	0
Francisco Gonzales	SMF1 (Executive Director)	0	0

The Board normally meets on a quarterly basis. Extraordinary meetings may be convened at such other times as the Board's Chair or other stakeholders require. Notice of and relevant supporting papers for meetings are circulated to each Board member and other relevant persons in a timely fashion in advance of each meeting.

The Board has the following key responsibilities to:

- develop, approve, and oversee execution of an appropriate business strategy
- approve BGM's budgets and sign-off on annual accounts
- approve BGM's risk appetite, risk tolerance and risk management framework
- provide direction to and oversight on BGM's compliance framework, infrastructure, and resourcing
- oversee and approve the liquidity policy
- oversee and approve the ICARA document
- monitor and oversee key risk performance indicators and other applicable management information (MI) and implement management action where needed
- approve company's remuneration policy
- approve the code of conduct and build strong company's culture, shared values, goals, attitudes, and practices; and
- ensure a "Treating Customers Fairly" culture is embedded within all areas of the Firm.

Executive Sub-Committees are established to support the Board to discharge its responsibilities under the law, regulation and corporate governance best practice. The committees support the Board in its activities operating across the corporate governance structure. Any significant matters dealt with at the sub-committees will be reported to the Board, as appropriate, noting that the Board remains ultimately responsible. BGM's Board has established the following Sub-Committees:

- Executive
- Risk & Compliance
- CASS

## Executive Committee

The Executive Committee of Britannia Global Markets Limited has been established to allocate responsibilities, delegate authorities and in turn demonstrate appropriate oversight in respect of the day-to-day management of the Firm's business through:

- the development and implementation of strategy, operational plans, policies, procedures, and budgets;
- the monitoring of operating and financial performance;
- the assessment and control of risk; and
- the prioritisation and allocation of resources.

## Executive Risk & Compliance Committee

The Executive Risk & Compliance Committee is responsible for ensuring risks are identified, measured, and mitigated where possible. The Committee, co-chaired by the Head of Risk and Head of Compliance, meets monthly and undertakes to ensure that the frameworks and systems of internal control and risk management are kept under review and regular Management Information (“MI”) reporting on the effectiveness of these frameworks and systems is reviewed and approved, and that any findings are appropriately addressed.

It aims to advise the Board on the risk aspects of proposed changes to strategy and strategic transactions including

acquisitions or disposals, ensuring that adequate due diligence of the proposition is undertaken, focussing on implications for the RMF, Risk Appetite, and strategy of the company, and taking independent external advice where appropriate and available.

## CASS Committee

BGM’s Executive CASS Committee has been established as the governance forum whose remit is to oversee the firm’s organisational arrangements to ensure compliance with the FCA CASS Rules. The Committee shall comprise, at a minimum, the Senior Manager with prescribed responsibility for CASS and representatives from the CASS Oversight team, Legal, Compliance, Risk, Treasury, Finance, and Operations.

## Culture and Diversity

BGM is a resourceful and entrepreneurial company, retaining many of the positive cultural characteristics of a traditional brokerage firm. Role authority and responsibility are commensurate and are clearly assigned throughout the organisation with the aim of fostering an open and transparent organisational culture.

Behaviours that are encouraged include:

- Creating a climate for employees to voice concerns about risks without fear of reprisal.
- All employees understanding the risk management practices that are relevant to their roles.
- Training and awareness programmes are an annual requirement.

Risk management is linked to performance and development, as well as to remuneration and reward incentivising good risk management practices.

All Directors and employees are subject to the Firm’s HR policies and are required to observe the HR handbook. Amongst other policy requirements, the policy states the imperative of equal opportunity. BGM aims to demonstrate and benefit from diversity of all types at all levels, ultimately benefitting from the challenge to groupthink and the diversity of thought that flourishes with a truly diverse workforce.

## 4. Own Funds

### Tier 1 Capital

The Firm's Own Funds capital is set out in the table below. An explanation of what the Firm's Tier 1 capital comprises is given underneath the table.

	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	<b>OWN FUNDS</b>	31,457	Total capital resources/own funds
2	<b>TIER 1 CAPITAL</b>	31,457	
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>	31,457	
4	Fully paid-up capital instruments	23,856	Share capital
5	Share premium		
6	Retained earnings	7,926	Retained earnings
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	(325)	Total regulatory deductions - Intangible Assets & Deferred Tax
19	CET1: Other capital elements, deductions and adjustments		

The following table reconciles regulatory own funds to the balance sheet in the 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	
<b>Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements</b>				
1	Intangible Assets	325		OF1 Template - Item 11
2	Tangible Assets	3,557		
3	Investments	1,393		
4	Debtors	28,669		
6	Cash	71,354		
xxx	<b>Total Assets</b>	105,298		
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements</b>				
1	Creditors	(73,516)		
xxx	<b>Total Liabilities</b>	(73,516)		
<b>Shareholders' Equity</b>				
1	Share Capital	23,856		OF1 Template - Item 4
2	Retained Earnings	7,925		
xxx	<b>Total Shareholders' equity</b>	31,782		

The Firm's Tier 1 capital comprises ordinary shares and retained earnings. Regulatory adjustments refer to deductions of intangible assets.

The retained earnings figure in the table above includes the audited figure as at 31<sup>st</sup> December 2025.

## 5. Own Funds Requirement

The Firm's own fund requirement is calculated in accordance with MIFIDPRU 4.3, which states that the Firm's own funds requirement is the highest of its:

- Permanent Minimum Requirement under MIFIDPRU 4.4
- Capital for ongoing risks
  - K-Factor requirement under MIFIDPRU 4.6, plus additional capital for risks identified in the ICARA risk assessment
- Capital needed to wind down the Firm
  - Higher of 1) Fixed Overheads Requirement under MIFIDPRU 4.5; and 2) capital needed to wind down the Firm

Under IFPR requirements the Firm must assess its capital and liquidity requirements to ensure compliance with the Overall Financial Adequacy Rule (“OFAR”). This is performed on an ongoing basis by looking at all capital requirements, which includes the Own Funds calculations as set out above, the ICARA assessments and wind down calculations, as well as monitoring levels of liquid funds against both FCA and internal risk tolerance thresholds.

ICARA assessments of capital needed to mitigate harms to client, firm and markets are performed using a combination of scenario-based capital models, stress tests using ‘severe but plausible’ events, and to wind-down assessment that demonstrates the Firm has sufficient capital and liquid resources to wind down its regulated activities in an orderly manner.

Own funds requirement for non-SNI firm (MIPRU 4.3.2)	Ongoing capital requirement	Overall financial adequacy threshold higher of Assessment A and B	
	£	£	£
		Assessment A - ongoing capital requirement	Assessment B - capital needed to wind down the firm
Permanent minimum capital requirement (PMR)		750,000	
Fixed Overhead Requirement (FOR)			5,428,187
	K-Factor Requirement	Assessed Risk Requirement	
K-AUM	48	48	
K-COH	79,537	90,000	
K-CMH	1,160,532	1,160,532	
K-ASA	25,314	25,314	
K-NPR	185,044	185,044	
K-TCD	25,634	954,804	
K-DTF	162,089	162,089	
K-CON	-	16,250	
Processes Risk	-	240,000	
Regulatory Compliance	-	660,000	
Cyber Risk		540,000	
<b>Capital needed to wind down the firm</b>			<b>10,802,171</b>
Assessment A (additional capital for ongoing risks)		4,034,081	
Assessment B (higher of FOR and wind down)			10,802,171
<b>Overall financial adequacy threshold requirement (OFAR is higher of Assessment A and B)</b>		<b>10,802,171</b>	
Own funds held surplus		20,654,789	

Liquidity requirement	Ongoing liquid asset requirement	Overall liquid adequacy threshold higher of	
	£	£	£
		Assessment A	Assessment B
1/3 of Fixed Overhead Requirement (FOR)	1,809,396		
1.6% of total guarantees provided to clients	-		
<b>Basic liquid assets requirement</b>	<b>1,809,396</b>	<b>1,809,396</b>	<b>1,809,396</b>
Estimate of additional liquidity needs identified in ICARA risk assessment (above basic liquid assets requirement)		-	
Estimate of stressed liquidity needs above basic liquid assets requirement		7,195,522	
<b>Assessment A</b>		<b>9,004,917</b>	
Estimate of wind down needs above basic liquid assets requirement			8,992,775
<b>B - Additional wind down requirement</b>			<b>10,802,171</b>
<b>Overall Liquid Assets threshold requirement (the greater of Assessment A or B)</b>		<b>10,802,171</b>	
Liquid assets held		53,195,516	
Surplus / Deficit		42,393,345	

## 6. Remuneration policies and practices

The firm has a remuneration policy that applies to employees of the firm. It is the firm's intention that the total remuneration of its employees recognises team and individual performance and the contribution made by each employee to overall long-term success of the firm.

Fixed remuneration paid to employees is determined considering an individual's level of knowledge, skills, competencies and experience. The firm ensures that fixed remuneration is comparable to current market rates.

Any variable remuneration paid to employees must be consistent with the firm's remuneration policy. Variable remuneration is used to promote sound, and effective risk management, discouraging risk-taking more than the firm's Board approved risk appetites, and to encourage and reinforce behaviour in respect of the firm's cultural values.

All variable remuneration for MRTs will be subject to malus and clawback when necessary to meet regulatory requirements.

Malus/Clawback provisions apply to the whole of any variable reward, an award can be reduced in later years in exceptional circumstances such as:

- If the committee considers that there is a significant downward restatement of the financial results
- Reasonable evidence of gross misconduct or gross negligence
- Reasonable evidence of material breach of code of business principles or code policies
- breach of restrictive covenants by which the individual has agreed to be bound
- reasonable evidence of conduct that results in significant losses or reputational damage to Britannia it may, in its discretion, at any time prior to your performance related remuneration vesting or being paid, decide that some or all of your performance related remuneration (which is subject to malus and clawback provision) will be reduced, lapse or be subject to additional conditions, or the delivery of your performance-related remuneration will be delayed

The Board continues to exercise its authority in reviewing and approving remuneration matters directly. The Board reviews the Remuneration Policy on at least an annual basis.

## MRT

Material Risk Takers (“MRTs”) are determined by reference to the MIFIDPRU Remuneration code (SYSC 19G.5), which sets out detailed qualitative and quantitative criteria. The Remuneration Committee has specific responsibility for matter regarding the annual review and identification of Material Risk Takers as well as controls to manage/track any changes in the year.

## Quantitative

Total amount of remuneration awarded to staff for the year in question split between fixed and variable is below:

<b>£m</b>	<b>All Staff</b>	<b>MRT</b>	<b>Senior Management</b>	<b>Other</b>
Total	14.5	3	2.6	8.9
Fixed	11.3	1.8	2.1	7.4
Variable	3.2	1.2	0.5	1.5

The company had 19 MRTs in the period to which this remuneration disclosure applies all of whom were eligible for variable reward.