



**FUNDING SOUQ:**  
**TERMS AND CONDITIONS FOR INVESTORS**

Below are the terms and conditions (“**Investor Terms**”) for the Investors (“**Investor**”) of Funding Souq Ltd. (“**Funding Souq**” or “**the Company**”), a debt crowdfunding platform incorporated at Dubai International Financial Centre and regulated by the Dubai Financial Services Authority under licence no. F005822.

By using the Company’s website and utilising any and all of its services, the Investor confirms that it is hereby bound and required to comply with the Investor Terms stipulated herein. These terms create legal obligations on the Investor that have to be carefully read, understood and followed alongside the Company’s **General Terms of Use, Finance Conditions** and **Privacy Policy**, as all defined and found on the Company’s website, [www.fundingsouq.com](http://www.fundingsouq.com), and may be subject to amendment without prior notice.

**1. Products and Services**

The Investor Terms set forth herein outline all products and services offered by Funding Souq. However, guaranteed use of Funding Souq’s products and services is subject to eligibility of the Investor based on the minimum requirements set out below.

**2. The Company’s Role**

- Funding Souq’s principal role is to act as a conduit between Investors and prospective businesses (“**the Business/es**”), efficiently streamlining Finance Contracts (“**FCs**”) between the parties and acting as coordinator/facilitator/collector of payment and sums due under or related to the FCs (including certain limited actions if the Business defaults, as stipulated in the terms herein or any other applicable terms), in coordination with the Company’s duly licensed third-parties. The Company leaves the full authority and complete control over the following to the Investors:
  - a. Granting a FC to a Business;
  - b. Key contractual terms that the Investors wish to stipulate (“**Key Contract Terms**”); and
  - c. Any and all other details in connection with the participation on Funding Souq.
- Upon processing a Funding Request (“**FR**”), each Business is allocated with a risk band classification based on the business application and results of the Company’s external credit rating agency report intended to provide the Investor with an overview on the creditworthiness of the Business. However, as the Company has no obligation to edit or verify any information submitted and posted by the Business to the site, the Investor must conduct its own independent company and financial due diligence and assessment on the Business.
- The Investor attests, declares, and assents that any and all information provided to the Company, including disclosed details during the Investor registration process, is complete, clear, true, and accurate. Further, the Investor is fully aware and acknowledges that fraud, including false

misrepresentation, is a crime and a felony charge under UAE Federal Law No. 03 of 1987, with potential penalties ranging from suspended sentences and probation and fines to custodial sentences.

### 3. Finance Contracts (FCs)

- The FC is a separate legal agreement comprising a term sheet, term facility agreement and such as necessary documentation as Funding Souq requires that is entered into between Funding Souq (acting on behalf of the Investor) and the Business (“**Parties**”), which shall govern the relationship between the Parties. It also includes the Finance Conditions and the specific Key Contract Terms relevant thereto.
- Upon registration to use and utilise any and all services of Funding Souq, the Investor will be invited to accept the Finance Conditions, binding the Investor to the terms set therein in its capacity as Investor, in all financing transactions entered into the Company.
- Representatives of a partnership, company, or other business are required to provide proof that he/she is duly authorized to act and enter into the FC on behalf of the organisation. Otherwise, the Company has no recourse but to resort to legal action against the Representative in breach of this requirement.

### 4. Acting as Representative

If acting as an appointed representative of any other entity, the Investor confirms that:

- a. It has the authority to enter into these Investor Terms on behalf of the other entity; and
- b. The other entity agrees to be bound by the Investor Terms.

### 5. Registering as a Investor

The minimum eligibility criteria to become a Investor of Funding Souq are as follows:

- Potential Investors must either be an individual (professional licensee/sole trader) or a business (company/free zone company/partnership/public body);
- *Lending as an Individual* – The individual must:
  - i. Be at least eighteen (21) years old
  - ii. Satisfactorily complete the Investor questionnaire found in the Company’s website ([www.fundingsouq.com](http://www.fundingsouq.com));
  - iii. Provide copy of passport/other photographic ID; and
  - iv. Secure proof of permanent residence address
- *Acting as Representative of a Business*- The business must:
  - i. Provide a copy of an updated valid company registration document or trade license issued by the appropriate licensing authority; and
  - ii. Secure proof of permanent business location/address

- *Acting as Representative of a Public Body.* The representative must provide documentary evidence that the body is valid, existing, and has been established in accordance with any applicable laws; and
  - Potential Investors must hold an existing valid United Arab Emirates (UAE) or international bank account with a valid IBAN or equivalent number.
- The Company will conduct Know Your Customer ("**KYC**") assessments on all Investor applicants, including but not limited to identity verification, anti-money laundering, and fraud checks, based on the Company's internal guidelines and policies. In addition, the Company may require certified copies of documents not limited to the listed below as part of the KYC procedure and/or other similar checks under all applicable laws and regulations; and, failure to produce, comply, and/or submit such, as required, will automatically disqualify the applicant from becoming Funding Souq's Investor:
    - a. Passport;
    - b. Other Identification documents;
    - c. Registration documents; and
    - d. Powers of Attorney.
  - The Investor is responsible in regularly updating any and all Investor information in the Company's website by immediately advising the Company of any changes and updates pertaining thereto as soon as reasonably possible.
  - The Investor has the sole responsibility to obtain any and all necessary and appropriate permits, licenses, authorities' approvals, and waivers (collectively referred to as "**Permissions**") for each and every FC. The Company does not conduct any enquiries, and therefore, is not liable if the Investor's Permissions are incomplete, inaccurate, or not in place.
  - The Company has the sole discretion to reject any application to become an Investor as deemed appropriate. The evaluation criteria are not limited to the above-listed.
  - Applicants that did not meet the minimum criteria can still become an Investor subject to the Company's reevaluation and prior written approval since Funding Souq has full and absolute discretion over it. All Company decisions on this matter shall be deemed final.

## **6. Becoming a Investor and Uploading of Funds**

- Applicants will be notified by email on the status of their Investor Application once assessment and verification of personal details and submitted documents have been finalised. Decisions on all applications are final.
- *Unsuccessful applicants:* Funding Souq will not be liable in providing further information detailing rejected applications.

- *Successful Applicants:*
  - i. Upon email notification, they shall be allocated with a unique Investor number (UIN), to be used for all transactions and communications on the Site. This number indicates that the Applicant has passed the evaluation and is now a registered Investor of Funding Souq, eligible to provide financing to Businesses.
  - ii. Via the assigned UIN, they will be given access to their individual accounts where they can credit funds to the Client Monies Account. Said funds will be credited to the Investor's individual account, can be viewed under "My Transactions", and may be used to finance/fund the Investor's facilities and/or transactions with the Business. Credited funds and profits earned on the facilities shall be held in the Client Monies Account.
- Investor financing can commence upon receipt and credit of funds by the Company to the Investor's Funding Souq Account. Furthermore, funds held on the Investor's behalf in the Client Monies Account will be secured therein until or unless otherwise withdrawn, applied to applicable fees, or transmitted to a Business (funds transferred to the relevant Business' bank account) by the Investor. Please be advised that the Company may deduct any applicable fee from the balance of funds of the Investor's Account from time to time.
- Suspension and access limitations on the Investor Funding Souq Account may be imposed at any time as deemed appropriate to comply with legal or regulatory obligations and/or the Investor Terms in circumstances not limited to the following:
  - Periods wherein the gathering of additional client identification documents is necessary; and
  - Investor's country of residence changes to a jurisdiction outside of which the Company is doing business.
- Withdrawal of funds from the Investor's Funding Souq Account are allowed ninety (90) days from the deposit date. Any and all related bank charges will be paid in full and shall, likewise, be deducted from the Investor's repayment.
- Withdrawal of funds from the Investor's Funding Souq account may be permitted in excess of the aggregate total value of financings made and offers to live FRs. As mentioned, payment of funds will exclusively through the Investor's UAE or international bank account with a valid IBAN number (or foreign equivalent).

## **7. Investor's Fund Protection**

- Emirates NBD, which holds all client monies, may have market practices, insolvency, and legal regime applicable in that jurisdiction but that may differ from the regime applicable in the DIFC.
- The Investor is subject to the protection accorded by the DFSA's Client Money Provisions. Under the aforementioned circumstance:

- In the event of Funding Souq's insolvency, winding up, or other distribution event imposed by the DFSA, the Client Monies will be subject to the DFSA's Client Money Distribution Rules; and
- The funds will be held separate from monies belonging to the Company.

## **8. Investor Classifications and Restrictions**

- A Investor cannot be a Investor and a Business at the same time on Funding Souq. The Company retains its right to grant specific exceptions to this rule but shall in no circumstances be obliged to do so.
- Per DFSA rules, Investors are classified either as a **Retail** or **Professional** Investors. The classification may limit the amount of funds an Investor can transfer in a year as well as the amount an Investor can allocate per FR.
  - i. *Retail Investor* - Retail Investor is the default classification. Investor's limits hereunder include a maximum fund transfer to Funding Souq in a calendar year, of which the amount may be less than One Hundred Eighty Thousand Dirhams (AED 180,000.00) if the Funding Souq Account reflects that the Investor had transferred monies in the previous calendar year and not lent all of those funds.
- *Professional Investor* - For Investors who wish to be classified as Professional Investors, thus removing the limits set for Retail Investors, kindly contact Funding Souq for the necessary additional requirements to become eligible.
- The Company will conduct re-evaluation for those classified as Professional Investor on a periodic basis to assess whether said classification is still fit for the Investor especially in cases when personal circumstances of the Investor has changed.

## **9. Investor Fees**

- The Investor acknowledges that all fees payable to the Company are for compensation of the Company and its affiliates in providing management, as well as administrating and facilitating services in connection with Funding Souq.
- The Company reserves its right to waive, reduce, or increase applicable fees every now and then. Investors shall be notified of any such changes on the Site.
- The Company charges Investors a fee covering the cost of third-party providers conducting the KYC checks.

## **10. Business Finance**



- To finance businesses on Funding Souq, the Investor will select a Business via the Funding Souq's website where the relevant Business will have made a FR (the “**platform**”) and will agree to finance all or part of the FR by making a FO by crediting the relevant account of Funding Souq as custodian of the FO amounts.
- Based on the review and the data gathered, Funding Souq's team will carefully assesses all applying Businesses and classify each into risk bands. Businesses passing the screening process will be permitted to create an FR.
- Once an FO is made, the relevant Investor's FO will be entered into the live auction on the Funding Souq site.
- The minimum offer rate is AED 100 per FO and all FO are on a first-come basis until the FR is funded fully. Funding Souq retains the right to change the set minimum and maximum FO amounts; and Investors shall be notified of any relevant changes to the set amounts on the Site from time to time.
- All FO's made are final and binding unless:
  - The Business declines the aggregated FO's submitted by the various Investors.
  - The auction period expires with insufficient FO's to meet the required amount requested in the FR;
  - Funding Souq withdraws an FR due to any violation of any applicable terms;
  - Funding Souq retains the right to withdraw FO's on the platform at any time without prior notice and explanation.
- Once a fully funded FR is achieved, the Business can either accept the aggregate FO's or let them lapse five (5) working days thereafter. If the Business chooses the second option, the FO's shall be deemed unsuccessful and the relevant amounts returned to the Investor's Funding Souq Account.
- The Investor will have access to the Investor dashboard on the platform for monitoring purposes.

### **11. Business Default**

- If the Business defaults on a repayment, Funding Souq will contact the Business to inform them that the Company will reattempt to collect the outstanding repayment. The Business' Funding Souq account will be treated as an overdue account (“**Overdue Account**”) and a notice will be

issued to the Business if the attempt to collect the amount fails or if the Company detects that the Business owner has left the UAE or has willingly defrauded the Investor.

- If Funding Souq receives no reply from the Business within twenty-hour (24) hours, a written legal notice will be issued. In addition, the Business will be in default of its obligations and the outstanding balance shall immediately become due and payable by the Business ("**Default**").

## **12. Collection Agent Appointment**

- Funding Souq retains the right to date and deposit the full security cheque following a Default. If the security cheque is not honoured, Funding Souq reserves the right to refer the default payment to an appropriately licensed recovery, security, or debt collection agent ("**Collections Agency**"). The Investor authorises Funding Souq to appoint the Collections Agency to collect the outstanding amount from the Business on the Investor's behalf. Any fees that the Collections Agency charges will be included in the finance amounts due and payable by the Business.
- The Collections Agency may deduct up to twenty five percent (25%), or such lower percentage agreed with Funding Souq, of the amount it may recover from the Business, with the remaining proceeds to be distributed to Investors.
- If the Investor decides to pursue the collection on his/her own, the Investor must notify the Company immediately of such intention in writing before the period expiry. Thereupon, the Company shall provide the relevant contact details of the Business to enable the Investor in pursuing the claim directly.
- If deemed appropriate, the Company will instruct legal counsel to file proceedings to recover the debt. The Company will pay back to Investors in their proportionate share of any funds successfully recovered, less the costs, expenses, losses, any other liability (including, without limitation, legal costs), and any claims incurred during the debt recovery process.
- The Investor acknowledges and assents that commencing court proceedings will be an action of last resort, as there are inherent risks in litigation and the outcome can never be guaranteed. Therefore, the Company does not guarantee that any such action will be successful, and the Investor accepts that such action could result in the Investors being ordered by the court to pay damages. In the event that the Investor agrees to the agency appointment, he/she also agrees to the following:
  - i. The Investor shall not make any admissions without the Company's prior written consent;
  - ii. The Investor shall allow the Company to conduct and/or settle all negotiations and litigation in connection with the FC;
  - iii. At the Company's request, the Investor shall provide all reasonable assistance and full cooperation with negotiations and/or litigation.

### **13. Liability Exclusion**

- Calculations provided on the Site relating to financing rate of return are strictly for guidance purposes only and should in no way guarantee the actual return rate.
- The Company cannot guarantee sufficient Businesses for Investors to provide financing too;
- The Company makes no representation as to the ability of Businesses to meet their payment obligations under any FC; and
- The Company is not in any way liable for the debts or any failure to meet the financial obligations by a Business. The Investor, thus, accedes that its initiates placing offers and financing on Funding Souq entirely at its own risk.
- Where any form of guarantee in support of a financing on the Investor's behalf has been provided, the Investor accepts that the guarantee's enforceability shall be subject to normal legal risks and limitations.
- A Investor cannot be a Business at the same time on the platform and may not knowingly lend in his/her own Business on Funding Souq. Funding Souq retains the right to grant specific exceptions to this rule but shall in no circumstances be obliged to do so.

### **14. General Terms**

- The Dubai International Financial Centre laws shall govern the Investor Terms and any non-contractual obligations arising out of or in connection with them. The Investor irrevocably submits to the exclusive jurisdiction of the Courts of the Dubai International Financial Centre over any claim or matter arising under or in connection with the Investor Terms.
- Funding Souq is offered to the Investor from, and the Investor Terms are entered into at the Dubai International Financial Center, Dubai United Arab Emirates.
- The information provided on the Site is:
  - Not intended for distribution to, or use by any person or entity in any jurisdiction where such distribution or use would be contrary to applicable laws, policies, and/or regulations; and



- Directed solely at and is for use exclusively by persons and companies/organisations that have passed the screening process for Investors.
- Funding Souq has the right to suspend any Investor's accounts once suspected that the Investor does any of the following:
  - The Investor violates the Privacy Policy or any other applicable term;
  - The Investor attempts to use the Site for any purpose other than as intended; and/or
  - The Investor is not abiding by the Investor Terms.
- Funding Souq discourages Investors from using borrowed funds to lend on the platform as this activity creates greater risk. The use of a credit card to deposit funds will not be permitted.
- If any clause or part of any clause of the Investor Terms is found to be void, unenforceable or invalid, then it will be severed from the Investor Terms. However, the remainder of the terms are in full force and effect, provided that the severance has not altered the basic nature of the Investor Terms.
- The Company may perform the following with full discretion:
  - Any of its obligations and exercise any of the rights granted to it herein, through a third party; and
  - Assign any or all of its rights and obligations herein to any third party.
- Funding Souq's single or partial exercise, or failure or delay in exercising any right, power, or remedy shall not constitute a waiver from the Company. Similarly, it will not impair or preclude any further exercise of, that or any right, power, or remedy arising under the Investor Terms or otherwise.
- The Investor Terms and the documents referred to in them set out the entire agreement between the Investor and the Company with respect to the use of Funding Souq and the services provided via the Site and shall supersede any and all prior or contemporaneous representations, communications or agreements (written or oral) between them.
- The Company may occasionally amend the Investor Terms and notify the Investor of any such changes on the terms on the site via email.
- All disclaimers, indemnities, and exclusions herein shall survive termination or expiry of the Investor Terms.



### **15. Indemnity**

To the extent permitted by law and except to the extent attributable to the intentional or negligent acts or omissions of Funding Souq, the Investors shall indemnify and hold Funding Souq, its affiliates, officers and agents harmless from and against any and all actions, claims, judgments, losses, costs, expenses, fines and/or damages, for or arising out of any breach by the Investors of these terms or any FC and/or failure to comply with any applicable laws and regulations and/or any third-party claims arising out of the same. The provisions contained in this clause shall survive the termination or expiry of the terms themselves.