

MIFIDPRU Public Disclosure Document

Segantii Capital Management (UK) Limited

Date as at 30 September 2022

For the period 1 Oct 2021 to 30 Sept 2022

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1 Overview and summary

Segantii Capital Management (UK) Limited (“Segantii UK”, 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 Investments Firms (“MIFIDPRU”) handbook.

For the purposes of MIFIDPRU, the Firm has been classified as a non-small non-interconnected (“SNI”) firm, therefore a non-SNI firm.

The Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to non-SNI firms.

This Public Disclosure Document has been prepared based on the audited financials as at 30 September 2022, covering the financial period 1 October 2021 to 30 September 2022.

The Firm’s main business activity is to conduct discretionary investment management services as delegated by its parent entity Segantii Capital Management Limited.

2 Governance arrangements

The Firm’s ultimate decision making and oversight body is the Board of Directors.

The Board of Directors is responsible for setting the Firm’s business objectives, strategy and annual budgets. The Board of Directors is governed by its Terms of Reference, which include all responsibilities and requirements as per SYSC 4.3A.1 and the Firm has accordingly implemented segregation of duties between its business functions and control functions.

The Firm has a Conflicts of Interest Policy and procedures in place and potential conflicts of interests are continually monitored and assessed by Compliance as an independent control function, as well as being reported to the Board of Directors on a regular basis.

The Board of Directors receives regular reporting and management information on the Firm’s operations, specifically reporting and escalation of any compliance, financial, legal and risk matters. The Board of Directors receives independent reporting for internal control functions as well as external independently appointed auditors and consultants on the effectiveness of the Firm’s operations, systems and control arrangements.

2.1 External Directorships

In line with MIFIDPRU 8.3.1 (2), the Firm has detailed below the number of external appointments, both as executive and non-executive roles of its Senior Managers:

Name / role	# of external executive roles	# of external non-executive roles
Niral Harish Maru (SMF 3)	None	None
David Sayer (SMF 3)	1	None

Name / role	# of external executive roles	# of external non-executive roles
Lyndon James Morris (SMF 3)	1	None
Benjamin William Dobbs (SMF 16 / SMF 17)	None	None

2.2 Promoting diversity and inclusion

The Firm supports equal opportunities and diversity across all levels and employees. This is something which is embedded through the Firm's recruitment and appraisal processes, offering equal opportunities to all candidates and employees.

Compliance with the Equality Act 2010 is integral to the Firm's policies and procedures.

The Firm strives to promote equality within the Firm with respect to employment, career development, promotion and pay.

3 Risk management objectives and policies

The Firm has implemented and embedded its risk management framework, policies and procedures across all relevant risk areas of the Firm. The Board of Directors sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework of the Firm.

In line with the Firm's business strategy, risk appetite and risk management framework the Firm identifies and further assesses key risks within the Firm's Internal Capital and Risk Assessment ("ICARA") process.

The Firm maintains a risk register, which includes risk assessment and rating methodologies in accordance with its risk appetite statement. Key risks are reported to the Board of Directors at each meeting.

3.1 Own funds requirements – MIFIDPRU 4

The Firm's investment risks are captured within its K-AUM calculation and operational risks are predominantly captured within its Fixed Overhead Requirement ("FOR") calculation. The Firm has further assessed any operational risks within its ICARA and quantified additional own funds and liquidity, where required.

3.2 Concentration risk – MIFIDPRU 5

The Firm does not conduct any trading on its own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any concentration risks on or off balance sheet and does not operate a trading book.

3.3 Liquidity – MIFIDPRU 6

The Firm maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (BLAR), being at least 1/3 of its FOR.

The Firm does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.

As part of the ICARA, the Firm also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

4 Own funds

4.1 Own funds resources

In line with MIFIDPRU 8.4 the Firm has prepared the reconciliation of own funds in line with MIFIDPRU 8 Annex 1 as follows:

OF1 - Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	10,911	-
2	TIER 1 CAPITAL	10,911	-
3	COMMON EQUITY TIER 1 CAPITAL	10,911	-
4	Fully paid up capital instruments	2,697	Note 16
5	Share premium	-	-
6	Retained earnings	8,214	Page 10, Statement of financial position
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	-	-
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	-	-
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	-	-

OF2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
		Balance sheet as in published audited financial statements	Under regulatory scope of consolidation	Cross reference to OF1
		£ '000	£ '000	
		As at 30/09/2022	As at 30/09/2022	
Assets				
1	Property, plant and equipment	1,510	-	
2	Investments	-	-	
3	Deferred tax asset	82	-	
4	Trade and other receivables	21,597	-	
5	Cash and short term deposits	2,658	-	
	Total assets	25,847	-	
Liabilities				
1	Income tax payable	817	-	
2	Trade and other payables	13,429	-	
3	Creditors: amounts falling due after more than one year	690	-	
	Total liabilities	14,936	-	
Shareholders' equity				
1	Issued share capital	2,697	-	4
2	Retained earnings	8,214	-	6
	Total shareholders' equity	10,911	-	

OF3: Own funds: main features of own instruments issued by the firm
Own funds is made up entirely by issued share capital and retained earnings.

4.2 Own funds requirements

The Firm calculates its own funds requirements as a non-SNI firm in line with the rules and requirements in MIFIDPRU 4.3 for non-SNI firms.

The Firm's own funds requirements are as follows as at 30 September 2022, based on its annual financial year-end position:

Minimum Own Funds Requirement		
A	Permanent Minimum Requirement ("PMR")	£ 75,000
B	Fixed Overhead Requirement	£ 2,009,772
C	K-Factor Requirement ("KFR")	£ 241,281
D	Minimum Own Funds Requirement (higher of (A), (B) and (C))	£ 2,009,772

In addition, the Firm has completed its ICARA and analysis to determine its net wind-down requirements and any additional own fund requirements to fund its on-going operations.

The Firm's risk appetite statement and assessment of risks through its risk management framework and risk register form the basis of its ICARA and assessment of the overall financial adequacy rule in line with MIFIDPRU 7.4.7.

The Board of Directors reviews, challenges and approves the ICARA and the conclusions of its own funds requirements.

5 Remuneration arrangements

The Firm is making use of the transitional provisions in MIFIDPRU TP 12.9 whereby it is not required to disclose remuneration information as the period of this Public Disclosure Document falls before 31 December 2022.

6 Investment policy

The Firm is making use of the transitional provisions in MIFIDPRU TP 12.9 whereby it is not required to disclose information pertaining to its investment policy as the period of this Public Disclosure Document falls before 31 December 2022.