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ETX Capital snaps up Alpari client list

by Harriet Agnew

Financial spread betting firm ETX Capital said on Thursday it had acquired the client list of Alpari UK from special administrators KPMG, the latest stage in the break-up of the retail foreign exchange broker that collapsed in January.

ETX paid an undisclosed sum for the assets, which is structured as an upfront fee combined with a potentially larger fee based on its success in moving over Alpari's customers.

When Alpari filed for administration in January it had roughly \$100m in client assets; customers will now have the opportunity to transfer their funds to a newly opened ETX account.

Andrew Edwards, chief executive of ETX, said: "The deal complements two of our main strategic drives: the expansion of our [Metatrader 4] offering and the continued expansion of our international customer base . . . Whilst the clients may pursue their funds themselves through the administration process, we hope they accept our offer of assistance in facilitating a smooth transition of their funds to ETX Capital."

Alpari was one of the casualties of volatility in the Swiss franc after the Swiss National Bank's surprise announcement in January that it was removing the franc's peg to the euro. The broker, a popular channel for retail investors to trade foreign exchange, racked up huge losses when many of its customers suffered in the ensuing swings in currency markets.

Rescue takeover talks with several parties foundered and Alpari was forced to file for administration that month. KPMG had initially hoped to dispose of the assets in the seven days after Alpari collapsed, but the sale process took longer than expected.

KPMG received more than 40 expressions of interest for the company, including from IronFX, a Cyprus-based retail forex broker.

The sale of the UK assets comes amid a dispute between the parent company's main shareholders. In January last year Andrey Dashin, the company's founder and main shareholder, brought a winding-up order against Alpari's parent company in a Cyprus court because he felt that, following disagreements with his business partners about funding the company, "an orderly winding up was better than a financial meltdown with unpredictable consequences".

In February, KPMG sold Alpari UK's intellectual property back to Mr Dashin.

ETX offers trading in about 6,000 instruments across 20 national and international markets. It employs 150 staff in the UK and also has international offices. The group is owned by private equity company JRJ Group and the BXR Group, a private investment firm.