

## MANAGEMENT ASSERTION REPORT on total number of Active Client Accounts and total sum of Agents' Commissions

### Purpose

The purpose of the report is to inform current clients and agents about several important corporate indicators, as well as to attract new clients and agents by providing the following information:

- 1) Total number of Active Client Accounts for the Calendar Year 2015, and
- 2) Total sum of Agents' Commissions for the Calendar Year of 2015.

### Definitions

E-Global	E-Global Trade & Finance Group, Inc., incorporated on British Virgin Islands at 02-FEB-2007 with registration number 1384287 and having legal address at First Floor, Mandar House, Johnson's Ghut, P.O. Box 3257, Road Town, Tortola, British Virgin Islands, operating under the trade mark "Forex4you".
Calendar Year of 2014	Period of time from 1st January 2015 00:00:00 till 31st December 2015 23:59:59.
MetaTrader4 Trading Servers	Trading servers with "MetaTrader4" professional trading software installed and running, consisting of the following nine servers: 1) "Classic1", 2) "Classic2", 3) "Classic3", 4) "Cent1", 5) "Cent2", 6) "Cent3", 7) "Cent4", 8) "ProSTP", 9) "PAMM".
Trade Transaction	Transaction for opening forex trade position or closing forex trade position regardless of monetary value. Client accounts' only depositing and/or withdrawing and other non-trade related transactions were excluded.
Client Accounts	Unique accounts identified by a unique account number registered on each MetaTrader4 Trading Server. One user may have several accounts on different MetaTrader4 Trading Servers; all such accounts are counted separately. Test accounts have been excluded from the calculation.
Active Client Accounts	Client Accounts who have performed any of Trade Transactions during the Calendar Year of 2015.
Agent	Partner (legal or private person) who is assisting E-Global with attracting clients.
Agents' Commissions	Commissions that have been earned by agents on MetaTrader4 Trading Servers (trade operations related commissions). Rebates and agent commissions based on received invoices or other method of calculation of agents' contribution were excluded.

## Methodology

- 1) We have obtained the reports from MetaTrader4 Trading Servers that list all trade transactions by all user/server combinations for the Calendar Year of 2015.
- 2) We have obtained the reports from MetaTrader4 Trading Servers that list all Agents' Commissions for the Calendar Year of 2015.
- 3) Based on the reports obtained from procedure 1) we have counted the number of unique Active Client Accounts.
- 4) Based on the reports obtained from procedure 2) we have summarized transactions which formed Agents' Commissions.
- 5) We have checked mathematical accuracy of the total Agents' Commissions.
- 6) We have converted all Agents' Commissions summarized in procedure 4) from EUR to USD using exchange rate at the date of the transaction when the transaction was made. We have used Russian Central Bank official currency exchange rate quotations that had been used for particular currency conversions into US dollars at the date of transaction.

## Findings

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1) Total Number of Active Client Accounts for the Calendar Year of 2015

92 564

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2) Total Sum of Agents' Commissions for the Calendar Year of 2015


USD 4.99 million

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Sergey Regukh, Director



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Aleksandrs Gromovs, Head of Accounting Department

Date: 14 July 2016



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## **Independent Reasonable Assurance Report to E-Global Trade & Finance Group, Inc. on the total number of active client accounts and total sum of agents' commissions**

We were engaged by the board of directors of E-Global Trade & Finance Group, Inc. to report on E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts and total sum of agents' commissions for the year ended 31 December 2015 as reported on pages 1 to 2 of the accompanying report. We report in form of an independent reasonable assurance conclusion based on our work performed about whether E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts and total sum of agents' commissions for the year ended 31 December 2015 is properly prepared, in all material respects, based on the methodology described in the accompanying report

### **E-Global Trade & Finance Group, Inc.'s Responsibilities**

The management of E-Global Trade & Finance Group, Inc. is responsible for the preparation of the management assertion report on the total number of active client accounts and total sum of agents' commissions that is free from material misstatement in accordance with the management voluntary disclosure requirements and methodology described in therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the management assertion report on the total number of active client accounts and total sum of agents' commissions that is free from material misstatement, whether due to fraud or error. It also includes developing the methodology used in the report, selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the management assertion of the total number of active client accounts and total sum of agents' commissions for the year ended 31 December 2015.

The board of directors of E-Global Trade & Finance Group, Inc. is also responsible for preventing and detecting fraud and for identifying and ensuring that E-Global Trade & Finance Group, Inc. complies with laws and regulations applicable to its activities. The board of directors of E-Global Trade & Finance Group, Inc. is responsible for ensuring that E-Global Trade & Finance Group, Inc. and staff involved with the preparation of the management assertion report on the total number of active client accounts and total sum of agents' commissions are properly trained and relevant information systems are properly updated.

### **Our Responsibilities**

Our responsibility is to examine the management assertion report on the total number of active client accounts and total sum of agents' commissions prepared by E-Global Trade & Finance Group, Inc. and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts and total sum of agents'



commissions for the year ended 31 December 2015 is properly prepared, in all material respects, based on the methodology described in the report.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the management assertion of the total number of active client accounts and total sum of agents' commissions whether due to error or fraud.

In making those risk assessments, we have considered internal control relevant to the preparation of the management assertion of the total number of active client accounts and total sum of agents' commissions in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of E-Global Trade & Finance Group, Inc.'s internal control over the preparation of the management assertion of the total number of active client accounts and total sum of agents' commissions. Our engagement also included: assessing the appropriateness of the management assertion of the total number of active client accounts and total sum of agents' commissions, the suitability of the criteria used by E-Global Trade & Finance Group, Inc. in preparing the management assertion of the total number of active client accounts and total sum of agents' commissions in the circumstances of the engagement, evaluating the appropriateness of the methodology used in the preparation of the management assertion of the total number of active client accounts and total sum of agents' commissions and the reasonableness of estimates made by E-Global Trade & Finance Group, Inc and evaluating the overall presentation of the management assertion of the total number of active client accounts and total sum of agents' commissions. Reasonable assurance is less than absolute assurance.

The procedures amongst others included:

- Obtaining the reports from nine MetaTrader4 trading servers (Cent1, Cent2, Cent3, Cent4, Classic1, Classic2, Classic3, ProSTP and PAMM) that list all agent commissions for the period from 1st January 2015 00:00:00 till 31st December 2015 23:59:59;
- Obtaining the reports from nine MetaTrader4 trading servers (Cent1, Cent2, Cent3, Cent4, Classic1, Classic2, Classic3, ProSTP and PAMM) that list all active client accounts for the period from 1st January 2015 00:00:00 till 31st December 2015 23:59:59;
- Based on the reports obtained from procedure 3) we counted the number of unique active client accounts that performed trade transactions, as per criteria presented in the management report on pages 1 to 2, during the period from 1st January 2015 00:00:00 till 31st December 2015. 23:59:59;
- Based on the reports obtained from procedure 2) we summarized transactions, which formed agents' commissions during the period from 1st January 2015 00:00:00 till 31st December 2015 23:59:59. We checked mathematical accuracy of the total agents' commissions;
- We converted all agents' commissions summarized in procedure 5) from local currency to US dollars using the exchange rate at the date of the transaction when the transaction was made. We used the quotations of Central Bank of Russia for particular currency conversions into US dollars at the moment of transaction;
- Testing underlying data on active user accounts and agents' commissions for existence and accuracy on a sample basis using a combination of controls and substantive approach.



### **Criteria**

The management assertion of the total number of active client accounts and total sum of agents' commissions was assessed against the methodology described on pages 1 to 2 of the accompanying management assertion report.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our modified conclusion.

### **E-Global Trade & Finance Group, Inc.'s Assertion**

Management asserts that the total number of active client accounts and total sum of agents' commissions is prepared, in all material respects, based on the methodology stated on pages 1 to 2 of the accompanying management assertion report.

### **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts and total sum of agents' commissions for the year ended 31 December 2015 is properly prepared, in all material respects, based on the methodology described in the report.

### **Restriction of Use of Our Report**

The management assertion report on the total number of active client accounts and total sum of agents' commissions has been assessed against methodology described on pages 1 to 2 of the accompanying management assertion report. These criteria are relevant only to the management of E-Global Trade & Finance Group, Inc.'s for the preparation of management assertion report on the total number of active client accounts and total sum of agents' commissions and should not be considered suitable for any other party or in any other context.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than E-Global Trade & Finance Group, Inc. for any purpose or in any context. Any party other than E-Global Trade & Finance Group, Inc. who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than E-Global Trade & Finance Group, Inc. for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

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A handwritten signature in blue ink, appearing to read 'Ondrej Fikrle'.

Ondrej Fikrle

Partner pp KPMG Baltics SIA

Riga, Latvia

14 July 2016