# COMPLIANCE GUIDE

Guidelines for Affiliate Advertising
in the United States

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Your sneak peek into eToro US Compliance



# REGULATION & ETORO

## Operating in a Complex Regulatory Environment

eToro is a licensed broker, offering services in more than 100 countries around the world via several regulated entities.

These entities are overseen by multiple financial regulators who share a common goal: to protect investors and promote stable and orderly financial markets.

The methodologies employed by these regulatory bodies can vary, with each regulator operating according to its own guidelines. Therefore, materials deemed compliant for a specific region or regulatory body may not be considered compliant by the standards of another regulator.

This complexity requires eToro to monitor both its own marketing and that of its partners very closely in order to retain regulatory compliance.

# US STRUCTURE

## Multiple assets, multiple regions, multiple regulators

The products made available to eToro's US clients are facilitated by two main entities - eToro USA LLC and eToro USA Securities Inc.

eToro USA LLC offers a platform for US customers to buy and sell cryptocurrencies. This entity is a registered Money Services Business ("MSB") with the Financial Crimes Enforcement Network (FinCEN) in the United States and holds Money Transmitter Licenses ("MTLs") (NMLS# 1769299) in applicable States.

eToro USA Securities Inc., a broker-dealer, provides access to stocks, ETFs and options. This entity is registered with the U.S. Security and Exchange Commission ("SEC") and the Financial Regulatory Authority ("FINRA").

While some of the products offered by these entities are available in all US states, others are not.

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# US STANDARDS

## Clear, responsible and compliant marketing

In order to promote eToro in the USA, it is **critical for all marketing materials**, including those used by affiliates, to **implement the guidelines and disclaimers** that are **required by the relevant regulatory body** (ex. FinCen, FINRA, SEC) for the type of investment vehicle being promoted.

Since this can be complex with a multi-asset offering, all US content must be pre-approved by eToro's US Compliance team. In order to help affiliates prepare their content, we have provided detailed guidelines throughout this presentation, as well as a simplified disclaimer guide on slide 5.

We see our affiliates as partners, and expect them to act as such in order to ensure continued regulatory compliance. As an additional safeguard, eToro monitors all affiliates regularly, using a combination of automated tools and manual reviews.

While non-compliance with eToro's affiliate guidelines can result in withheld payments and even removal from our affiliate program, careful application of the affiliate guidelines and continued compliance can lead to long, fruitful relationships for both sides.

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# GENERAL RULES

## Key Guidelines for Paid Marketing Partners

Below is a checklist of the critical rules that must be adhered to when promoting eToro USA LLC or eToro USA Securities Inc. on affiliate marketing channel(s). Any questions concerning these rules can be sent here.

- ❏ All US affiliate content must be pre-approved. If you want to make any changes to eToro promotional materials on your site, you must let us know by contacting your affiliate account manager and obtaining written approval prior to any changes being made.
- ❏ Proper disclosures must be included alongside content promoting the eToro platform or specific product offerings.
- ❏ The regulatory landscape can change often and with no prior notice. When this occurs, all promotional materials need to be updated promptly.
- ❏ If an affiliate cannot amend the promotional content of its website in accordance with requests, then content will need to be removed.
- ❏ Violating any of the guidelines in this presentation may result in termination of the partnership.

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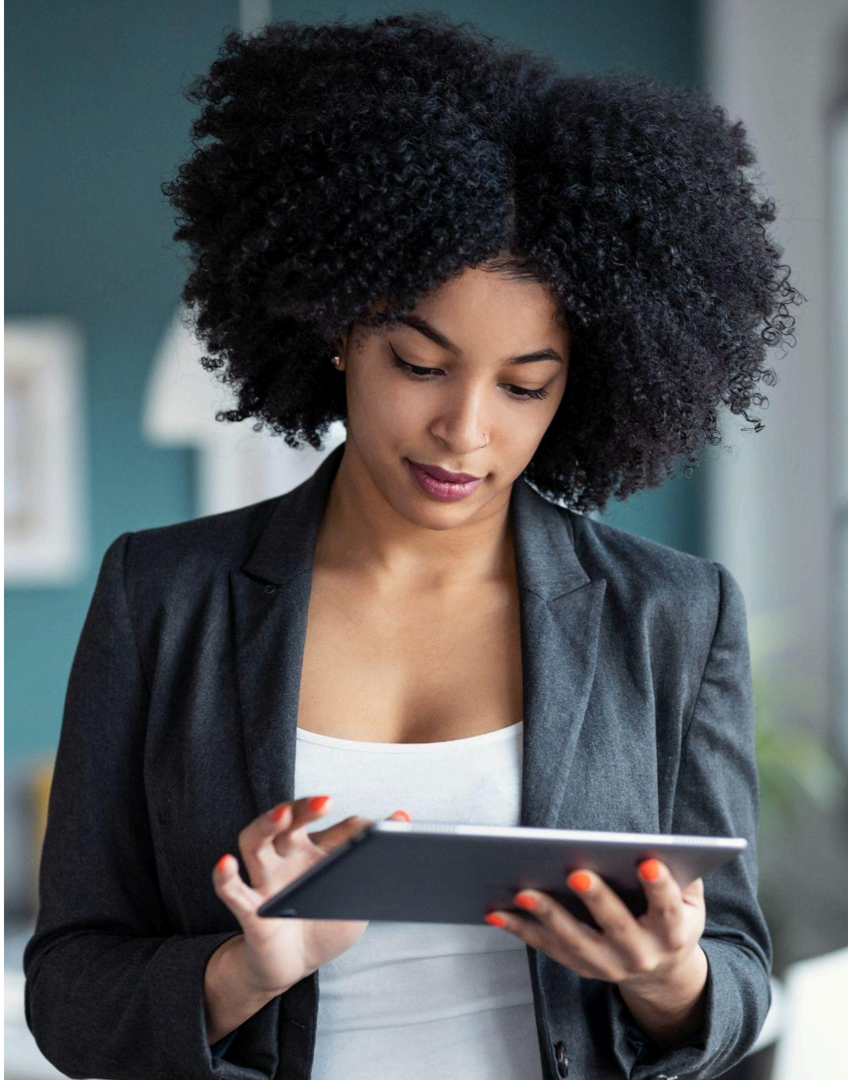
# DISCLOSURES

## General overview

- All eToro advertising placements must include the relevant disclosures on the web page footer / video description / end of video.
- On mobile devices, disclosures should be placed on the same screen, link, or menu item as the content they refer to.
- If the content includes multiple jurisdictions, US disclosures should be placed near the first US sign-up link on the page.
- Video placements should include the required disclosures in a legible font color & size during the last 2 seconds of the video. [Use tools like this one to verify legibility]



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# DISCLOSURES

## Tailored text for different asset types

**Multiple asset types:** Securities trading is offered by eToro USA Securities, Inc., member of FINRA and SIPC. Crypto trading is offered by eToro USA LLC (“the MSB”, NMLS: 1769299), is not available in all US States, and is not FDIC or SIPC insured. All investing involves risk. This content is for educational purposes only, does not imply a recommendation, and is not a guarantee of future performance.

**Stocks/ETF only:** Securities trading is offered by eToro USA Securities, Inc., member of FINRA and SIPC. Investing involves risk. Content is for educational purposes only, does not imply a recommendation, and is not a guarantee of future performance.

**Options only:** Securities trading is offered by eToro USA Securities, Inc., member of FINRA and SIPC. Options involve risk and are not suitable for all investors, learn more here. Content is for educational purposes only, does not imply a recommendation, and is not a guarantee of future performance.

**Crypto only:** Crypto trading is offered by eToro USA LLC (NMLS: 1769299), is not available in all US states, and is not FDIC or SIPC insured. Investing involves risk. Content is for educational purposes only, does not imply a recommendation, and is not a guarantee of future performance.

**Compensation disclosure:** Aside from the above asset-based disclosures, affiliates must include a general disclosure about being compensated for users who click through their links. This disclosure must be visible near the content that links to eToro, for example on the webpage footer or sidebar. **Sample text:** "This site contains affiliate links. If you make a purchase through these links, [site name] may earn a commission at no extra cost to you” “Our website and mobile app contain links to affiliate websites, and we may receive commissions for purchases made using such links.”

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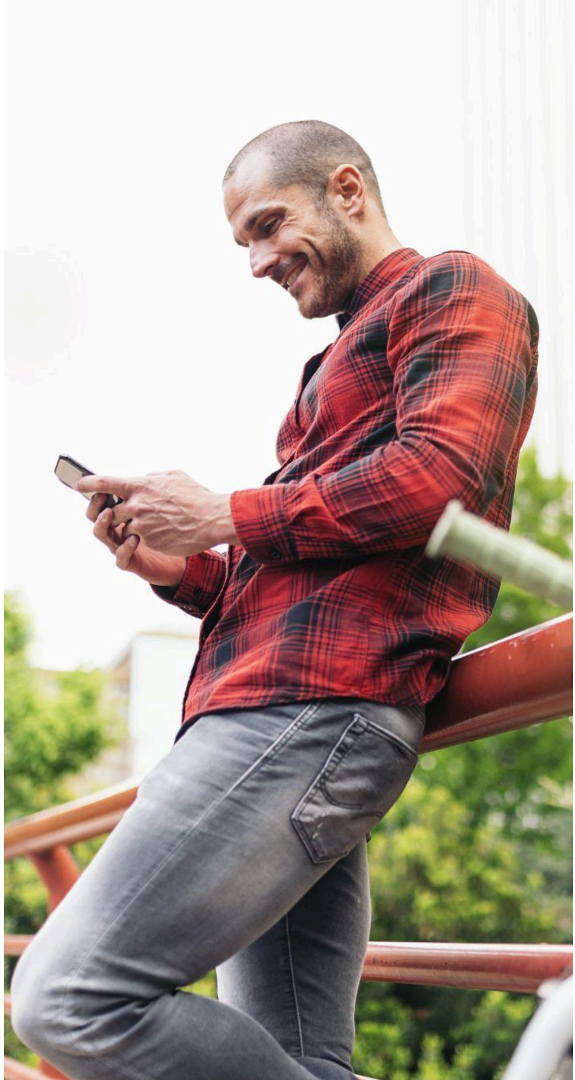

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# CONTENT GUIDELINES

## General rules and standards

- Communication with prospective or current eToro account holders must be limited to the marketing materials prepared and disseminated in accordance with these guidelines.
- Outside promotions or incentives (not managed by eToro) are not permitted.
- Affiliates may not make unfair comparisons, and if comparisons include asset types, the differences between these asset types must be fully explained.
- Affiliates are required to ensure that all information is kept updated and current, and that stale or irrelevant information is removed to mitigate the risk of confusing or misleading end investors.
- Affiliates are required to avoid visual, written, or spoken imagery that creates false impressions.
- All influencer content, including video ads or endorsements, must follow **FTC guidelines**, including disclosure of paid content.
- These guidelines are subject to change at any time, including due to regulatory changes and new applicable laws.

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# CONTENT GUIDELINES

## Advertising placements should:

- Be approved by eToro’s US Compliance prior to being used.
- Provide a sound basis for evaluating the claims made by providing all material facts required to make an educated decision.
- Use reasonably sized and legible fonts.
- Discuss associated risks whenever potential benefits are discussed.
- Include source citation for any statistics or data referenced.
- Include information about any charges or fees if pricing is discussed.

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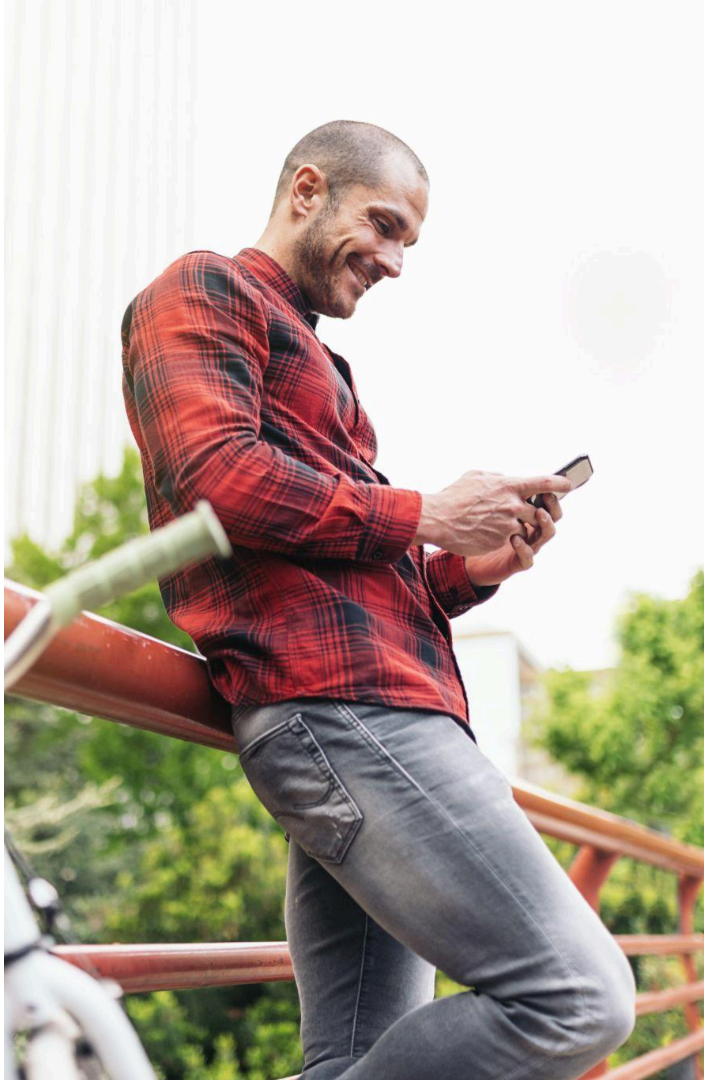
# SAMPLE CONTENT



## Educational Content

## ✔ - Permitted

- “The benefits of portfolio diversification are as follows...” (Note: risk must also be mentioned)
- “Experienced investors tend to avoid allocating their entire portfolio to a single asset” (Note: more context should be given)
- “Non-farm payroll figures are expected at 12:30 today. The general consensus (as reported by Bloomberg) is for an increase of 225,000” (Note: source link should be added along with a disclaimer about the forecast)

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## Investment Advice

## X - Prohibited

- Buy, Sell, or Hold recommendations
- “ETF A is performing better than ETF B”
- “Shares look particularly cheap”
- “Your account is overweight in equities”
- “It looks to me like a head-and-shoulders formation is forming”
- “Looks like we could be approaching an area of resistance”
- Suggestion to invest X ($,%) of your available equity
- X (specific asset) “is currently up”
- X “is trading near the high of its range”
- Mention price target or entry / sale price of an asset
- “Seeing good two-way flow in X”
- X% “of eToro's clients are holding long positions in” X

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# CALLS TO ACTION

## ✔ - Acceptable

Informational

- “Learn more”
- “Get informed”

Explore

- “Get a free virtual account”
- “Discover People”
- “Explore Cryptocurrency Smart Portfolios”
- “Explore Cryptocurrencies”

New Account

- “Join now”
- “Start Today”
- “Download the App”
- “Sign-up” / “Sign in”
- “Create an Account”
- “Get started”
- “Register Now”

## X - Unacceptable

FOMO

- “Trade Asset X Now”
- “Invest Now”
- “Don’t miss the spike”

Prescriptive/Recommendations

- “Invest in stocks”
- “Buy [asset name] now”
- “Buy Cryptocurrencies”

Gamification

- “Join the party”
- “Join the wave”
- Variation of "the moon"
- “Join the game”



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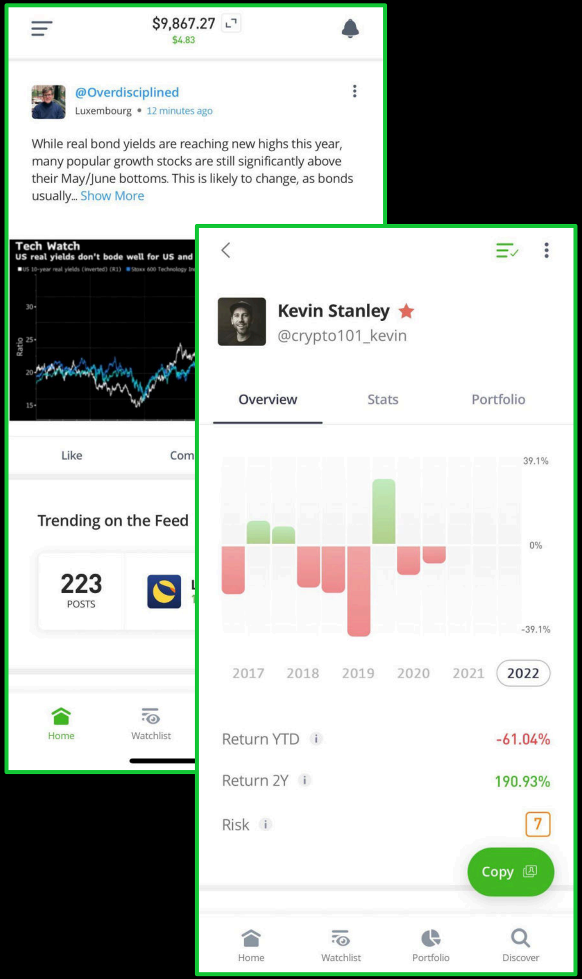
# NOT ALLOWED

## Advertising Placements should not appear alongside (same webpage, audio, or video):

- Get-rich-quick claims (“earn $X per day/week/month”, “become a millionaire”, “get rich”, etc.);
- Statements that are misleading, exaggerated, or cannot be backed up with supporting evidence. — e.g., “eToro offers the best customer service of any broker-dealer”;
- Mention of, or advice regarding, specific assets or investment strategies;
- Advertisement of “free” products or services provided by eToro;
- Forward-looking statement that cannot be guaranteed; claims of future investment performance, “profits”, “gains”, or suggestion that past performance will continue or reoccur;
- Calls to Action that create a heightened sense of urgency, i.e. referencing a missed opportunity, or that suggest an artificial timeframe.

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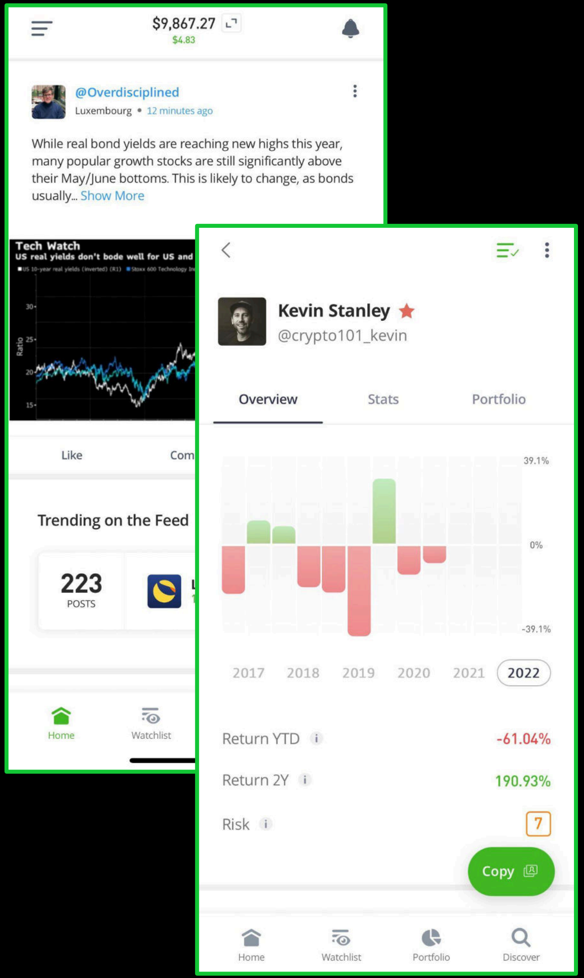
# NOT ALLOWED

Advertising Placements should not appear alongside (same webpage, audio, or video):

- Products, services, or incentives **not available in the US** (CFDs / Copytrader for stocks / etc). This list may change and content should be revised accordingly. Check the US website ([https://www.etoro.com/en-us/](https://www.etoro.com/en-us/)) for the the most up-to-date info.
    - Note: If affiliate content targets multiple jurisdictions, any non-US offerings must include a clear disclaimer nearby that describes US limitations (e.g., “Not available in the US” or “Only available for crypto”)
- Products or services **restricted from advertising in the US**, ex.Individual Mutual Funds/ ETFs or their distributing “fund family”. While you can mention “ETFs” generally, for example in a list of available products and services, describing advantages and disadvantages or comparing specific funds is not allowed.
    - NOTE: Advertising specific funds in the US requires additional filing and pre-approval from FINRA. Therefore, specific fund descriptions or comparisons are also not allowed for globally-focused content if it is accessible in the US.



# TRUE STORY

## Examples of past compliance processes

**Partner X** wanted to figure out how to work with eToro and other regulated brokers, but many of their website articles used promissory language like ‘5 stocks that will help you retire early’. After a thorough revision using our content guidelines, the website met eToro’s compliance standards and the partnership was approved.

**Partner Y** submitted a video outline, requesting immediate go-live approval. However, final content was still required for review, as outlines alone aren't enough for final approval.

**Partner Z** posted unapproved, promissory content on X, regarding the eToro platform being so easy to make money with that its users could ‘just sit on the beach while raking it in’. This was flagged by eToro’s automated scanning tools within 12 hours and had to be removed immediately. The partner was warned that a repeat violation of the pre-approval requirement could lead to partnership termination, and was not paid for the short-lived, non-compliant tweet. A compliant version was suggested and used instead.

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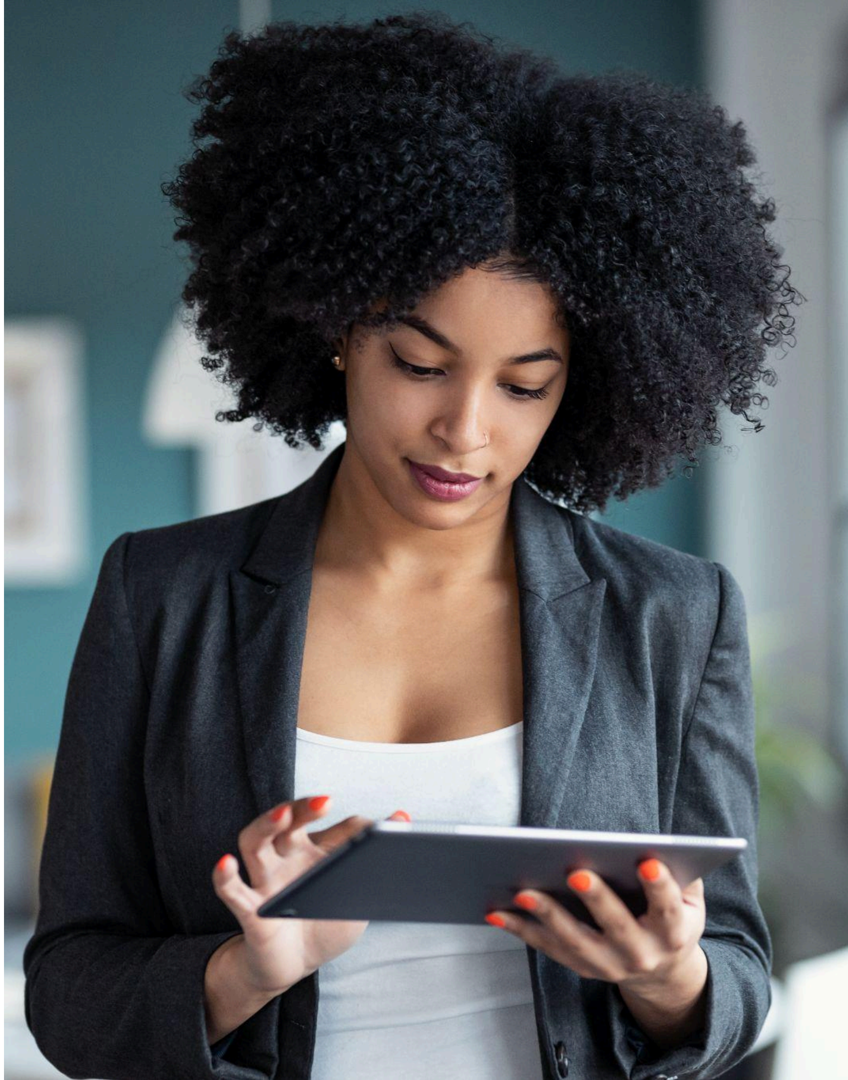

# PARTNER UP!

If you need further assistance, do not hesitate to contact your direct affiliate manager - we're always happy to help.

We strive to deliver the best possible experience for all of our Partners.

Thanks in advance for your collaboration!