

## CLIENT CATEGORISATION POLICY

Following the implementation of the Markets in Financial Instruments Directive (MiFID II) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (L.87(I)/2017) (“the Law”) in Cyprus, UR Trade Fix Ltd (“the Company”) is required to categorize its Clients into one of the following three categories: retail, professional or eligible counterparty.

It is stressed that different rules and different levels of protection apply to Clients depending on their categorisation.

### CATEGORISATION CRITERIA

The categorisation criteria set by the applicable Law (as amended from time to time) are the following:

1. **“Retail clients”** means a client who is not a professional client. It is noted that Retail Clients are afforded with the highest level of protection.
2. **“Eligible Counterparty”** is any of the following entities to which a credit institution or an investment firm provides the services of reception and transmission of orders on behalf of clients and/or execution of such orders and/or dealing on own account: Cypriot Investment Firms (“CIFs”), other Investment firms, credit institutions, insurance companies, UCITS and UCITS management companies, pension funds and their management companies, other financial institutions authorised by a Member State or regulated under the laws of Cyprus or under European Union law, national governments and their corresponding offices, including public bodies that deal with public debt at national level, central banks, the Central Bank and supranational organisations.
3. **“Professional client”** is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered to be professional client, the client must comply with the following criteria:
  - i. Entities which are required to be authorised or regulated to operate in the financial markets. The list below shall be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive of the European Union, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a third country:
    - Credit institutions;
    - IFs;
    - Other authorised or regulated financial institutions;
    - Insurance companies;
    - Collective investment schemes and management companies of such schemes;
    - Pension funds and management companies of such funds;
    - Commodity and commodity derivatives dealers;
    - Locals;

- other institutional investors;
- ii. Large undertakings meeting two of the following size requirements on a company basis:
  - balance sheet total: EUR 20 000 000
  - net turnover: EUR 40 000 000
  - own funds: EUR 2 000 000
- iii. National and regional governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations.
- iv. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

The entities referred above are considered to be professionals. However, they are allowed to request non-professional treatment and the Company may agree to provide a higher level of protection. Where the client is an undertaking referred to above, the Company must inform the Client prior to any provision of services that, on the basis of the information available to the Company, the client is deemed to be a professional client, and will be treated as such unless the Company and the Client agree otherwise. The Client may also request a variation of the terms of the agreement in order to secure a higher degree of protection.

It is the responsibility of the Client, considered to be a professional client, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved. This higher level of protection will be provided when a Client who is considered to be a professional enters into a written agreement with the Company to the effect that it shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement shall specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

### **PROFESSIONAL CLIENTS ON REQUEST**

#### **i. Identification criteria:**

Clients other than those mentioned in point 3 above, including public sector bodies, local public authorities, municipalities and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules of the Company.

Therefore, the Company is allowed to treat any of those clients as professionals provided the relevant criteria and procedure mentioned below are fulfilled. Those clients shall not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed above.

Any such waiver of the protection afforded by the standard conduct of business regime will be considered to be valid only if an adequate assessment of the expertise, experience and knowledge of the client, undertaken by the Company, gives reasonable assurance, in light of the nature of the transactions or services recommended, that the client is capable of making investment decisions and understanding the risks involved.

In the case of legal entities, the person subject to that assessment shall be the person authorized to carry out transactions on behalf of the entity.

In the course of that assessment, as a minimum, two of the following criteria shall be satisfied:

- the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters
- the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500 000
- the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

## **ii. Procedure**

Those clients may waive the benefit of the detailed rules of business conduct only where the following procedure is followed:

- they must state in writing to the Company that they wish to be treated as a professional client, either generally or in respect of a particular investment service or transaction, or type of transaction or product,
- the Company will give them a clear written warning of the protections and investor compensation rights they may lose
- they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.

Before deciding to accept any request for waiver, the Company is required to take all reasonable steps to ensure that the client requesting to be treated as a professional client meets the relevant requirements stated above.

The Company implements appropriate written internal policies and procedures to categorize clients. Professional clients are responsible for keeping the Company informed about any change, which could affect their current categorisation. Should the Company become aware however that the client no longer fulfils the initial conditions, which made him eligible for a professional treatment, the Company will take appropriate action.

### **REQUEST FOR DIFFERENT CATEGORISATION**

In accordance with this Policy, the following requests may be submitted to the Company:

- a Retail Client requesting to be categorised as a Professional Client. In that case the Client will be afforded a lower level of protection.
- a Professional Client requesting to be categorised as a Retail Client. In that case the Client seeks to obtain a higher level of protection.
- an Eligible Counterparty requesting to be categorised as a Professional Client or Retail Client. In that case the Client seeks to obtain a higher level of protection

Clients who wish to request a different categorisation shall contact the company directly at [support@plusmarkets.eu](mailto:support@plusmarkets.eu). It is noted that the Company has the right to reject any of the above requests.

## **PROTECTION RIGHTS**

### **i. Retail/Professional Clients**

Where the Company treats a Client as a Retail Client, the Client is entitled to more protections under the Law, than if the Client was to be treated as a Professional Client. In summary, the protections Retail Clients are entitled to are as follows (the list may not be exhaustive):

#### **a. Appropriateness:**

Where, the Company provides investment services other than investment advice (in the form of personal recommendations) or discretionary portfolio management, the Company shall ask a Retail Client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the Company to assess whether the investment service or product envisaged is appropriate for the Client. In case the Company considers, on the basis of the information received that the product or service is not appropriate to a Retail Client, it shall warn the Client accordingly.

Please note that the Company is not required to assess appropriateness in certain cases specified by law.

The Company shall be entitled to assume that a Professional Client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transactions or products, for which the Client is classified as a Professional Client. Consequently, and unlike the situation with a Retail Client, the Company should not generally need to obtain additional information from the Client for the purposes of the assessment of appropriateness for those products and services for which they have been classified as a Professional Client.

#### **b. Execution of orders**

When executing Client orders, the Company must take all reasonable steps to achieve what is called “best execution” of the Client’s orders, i.e. to obtain the best possible result for its Clients.

Where the Company executes an order of a Retail Client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

When providing Professional Clients with best execution, the Company is not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution for them.

#### **c. Title transfer collateral arrangements**

Under the law we are not allowed to enter into title transfer collateral arrangements with Retail Clients whereas in the case of Professional Clients' money and financial instruments title transfer collateral arrangements are allowed. Title transfer collateral arrangements is used for the purpose of securing or covering the present or future, actual or contingent or prospective obligations of the Professional Client, whereas this is not possible for Retail Clients. Money and financial instruments that are subject to title transfer will not be segregated from the Company's assets and thus you are assuming credit risk against us.

**d. Investor Compensation Fund**

Only Retail Clients may be entitled to compensation from the Investor Compensation Fund in case of inability of the Company to repay its obligations.

**e. Communication with the Company**

The simplicity and frequency in which the Company communicates with Professional Clients may be different to the way in which the Company would communicate with a Retail Client. However, in all instances, the communication between the Company and its Clients remains fair, clear and not misleading.

**ii. Eligible Counterparties**

Where the Company treats the Client as an Eligible Counterparty, the Client will be entitled to fewer protections under the Law than it would be entitled to as a Retail or Professional Client.