



FxPro Global Markets MENA Limited

# Client Categorisation Notice

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## 1. SCOPE OF THE NOTICE

- 1.1 FxPro Global Markets MENA Limited (referred to as '**FxPro**' or the '**Firm**', '**us**', '**we**' and '**our**') is required to classify each Client (referred to as the '**Client**', '**you**', '**your**' and '**yourself**') in accordance with applicable legislation as 'Retail' 'Professional Client' or 'Market Counterparty'. A Client may be categorised as a 'Professional Client' in relation to one service and a Retail Client in relation to another.
- 1.2 As an authorised firm, we are permitted to provide our products to 'Retail', 'Professional' Clients' as well as 'Market Counterparties'. The Firm will automatically categorise all Clients as 'Retail Clients' (as defined by the applicable legislation) with the exception of those clients who declare that they have net assets > 1 million and who choose to be considered as Professional Clients. Should you request us to change your categorisation, we will review the information provided to us and we will determine if you are eligible for such categorisation as per applicable regulation. Please note that during our assessment we may request additional information.
- 1.3 If the relevant criteria are fulfilled and you wish to be re-categorised, then you should contact the Firm in writing with your re-categorisation request; the Firm shall review such request and respond appropriately.
- 1.4 The Firm reserves the right to review your categorisation from time to time and re-categorise you to a different category (if necessary).
- 1.5 For any capitalised term, which has not been defined in the Notice, please refer to Schedule A ('Glossary') of the 'Client Agreement' or in the DFSA Rulebook (Code of Business Module 'COB').

## 2. CATEGORISATION CRITERIA

- 2.1 The categorisation criteria set by the relevant legislation (as amended from time to time) are the following:
- 2.2 '**Retail Client**' is a Person who cannot be classified as a Professional Client or Market Counterparty in accordance with the applicable rules and regulations and is required to be classified as a Retail Client. If an authorised firm chooses to provide financial services to a Client as a Retail Client, it may do so by simply classifying that Client as a Retail Client without

having to follow any further procedures as required for classifying Client as Professional Clients or Market Counterparties.

**2.3 'Professional Client' is:**

- (1) A Client who is classified as such because he /she is either:
  - a) 'deemed' Professional Client; or
  - b) 'service-based' Professional Client; or
  - c) 'assessed' Professional Client.
- (2) And has not opted-in to be classified as a Retail Client.

**2.3.1 A 'deemed' Professional Client is a Client who is:**

- a) a supranational organisation whose members are either countries, central banks or national monetary authorities;
- b) a properly constituted government, government agency, central bank or other national monetary authority of any country or jurisdiction;
- c) a public authority or state investment body;
- d) an Authorised Market Institution, Regulated Exchange or regulated clearing house;
- e) an Authorised Firm, a Regulated Financial Institution or the management company of a regulated pension fund;
- f) a Collective Investment Fund or a regulated pension fund;
- g) a Large Undertaking as specified below;
- h) a Body Corporate whose shares are listed or admitted to trading on any exchange of an IOSCO member country;
- i) any other institutional investor whose main activity is to invest in financial instruments, including an entity dedicated to the securitisation of assets or other financial transactions;
- j) a trustee of a trust which has, or had during the previous 12 months, assets of at least \$10 million; or
- k) a holder of a licence under the Single-Family Office Regulations with respect to its activities carried on exclusively for the purposes of, and only in so far as it is, carrying out its duties as a Single-Family Office.

A client is a Large Undertaking if, as at the date of its most recent financial statements, it met at least two of the following requirements:

- a) it has a balance sheet total of at least \$20 million;
- b) it has a net annual turnover of at least \$40 million; or
- c) it has own funds or called up capital of at least \$2 million.

**NOTE:**

**'balance sheet total'** means the aggregate of the amounts shown as assets in the balance sheet before deducting both current and long-term liabilities;

**'own funds'** mean cash and investments as shown in the balance sheet; and

**'called up capital'** means all the amounts paid-up on allotted shares, less any amounts owing on allotted shares.

2.3.2 An 'Assessed' Professional Client is a client that is an individual or an undertaking if the following criteria are satisfied:

2.3.2.1 An individual Client is an 'Assessed' Professional Client where that individual has net assets of at least \$1m (excluding the value of client's primary residence) and either:

- a) the individual is, or has been, in the previous two (2) years, an employee in a relevant professional position of an authorised Firm or a regulated financial institution; **or**
- b) the individual appears, on reasonable grounds, to have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks.

2.3.2.2 Undertakings\* are 'Assessed' Professional Clients where the entity:

- a) has own funds or called up capital of at least \$1 million; **and**
- b) appears, on reasonable grounds, to have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks.

\*means a body corporate or partnership or any unincorporated association carrying on a trade or business with or without a view to profit.

**NOTE:** To classify the client as an 'Assessed' Professional Client, we would request objective and independent evidence prior to classification.

2.4 **'Market Counterparty'**. A client may be classified as a Market Counterparty when that Client is a 'deemed' Professional Client provided that FxPro has complied with the procedures set out in the applicable regulations. When transacting with a Market Counterparty it means that only a limited number of requirements in the relevant rulebook apply to such since they are transacting on an equal footing with FxPro. Hence, most of the protection rules do not apply.

2.5 The Firm implements appropriate written internal policies and procedures to categorise Clients. Clients are responsible for keeping the Firm informed about any change, which could affect their current categorisation. Should the Firm become aware that the Client no longer fulfils the initial conditions which made the Client eligible for a professional treatment the Firm will take appropriate action.

### **3. REQUEST FOR DIFFERENT CATEGORISATION**

- 3.1 In accordance with this Notice and applicable legislation, the following requests may be submitted to the Firm:
- a) a Professional Client requesting to be categorised as a Retail Client. In that case the Client seeks to obtain a higher level of protection.
  - b) a Market 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.
- 3.2 The Firm reserves the right to decline any of the above requests for different categorisation.
- 3.3 It is the responsibility of Professional Client to keep us informed about any changes that could affect his/her current classification. Should we become aware that a Professional Client no longer fulfils the conditions which made him/her eligible to be classified as a Professional Client, then we may take any appropriate action.

### **4. PROTECTION RIGHTS**

#### **Retail Clients/ Professional Clients**

- 4.1 Where we treat you as a Retail Client, you will be entitled to more protections under applicable legislation than you would have if you were to be categorised as a Professional Client. In summary, the additional protections Retail Clients are entitled to are as follows:
- 4.2 Under DFSA rules, the Firm 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 to enable the investment firm to assess whether the investment service or product envisaged is appropriate for the Client. In case the Firm considers, based on 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 Firm is not required to assess appropriateness, in certain cases, specified by applicable legal and regulatory framework.
- 4.3 The Firm shall be entitled to assume that a Professional Client has the necessary experience and knowledge to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the Client is classified

as a Professional Client. To classify the Client as Professional Client, we would request objective and independent evidence prior to classification.

### **Market Counterparties**

- 4.4 Where the Firm treats the Client as a Market Counterparty, the Client will be entitled to fewer protections under DFSA rules and applicable law than the Client would be entitled to as a Professional Client or as a Retail Client.
- 4.5 The Firm, prior to classifying the client as a 'Market Counterparty, will give the Client a written notification of the classification and ensure that the Client did not request to be classified otherwise.

**FxPro Global Markets MENA Limited**

Incorporated in the Dubai International Financial Centre (Registered no. 2514)

Authorised and regulated by the Dubai Financial Services Authority ('DFSA') (reference no. F003333)

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