

CLIENT CATEGORIZATION AND MIFID IMPLICATIONS

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1. GENERAL

In compliance to Law 144(I)/2007, each Client is categorized by FIBO as a “Retail Client” or a “Professional Client”. In addition, certain professional Clients may be further categorized as “Eligible Counterparties”. Categorization is undertaken on the basis of objective criteria. A Client may be put in different categories for particular investment services or transactions or types of transactions or products. FIBO notifies each Client of his categorization as a Retail Client or Professional Client or, as the case may be, Eligible Counterparty.

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

2. “RETAIL CLIENT”

“Retail Client” is a Client who is not a Professional Client or an Eligible Counterparty.

3. “PROFESSIONAL CLIENT”

“Professional Client” is a Client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that he incurs. In order to be considered a Professional Client, a Client must comply with one of the following criteria:

1. Entities which are required to be authorized or regulated to operate in the financial markets. The list below should be understood as including all authorized entities carrying out the characteristic activities of the entities mentioned: entities authorized by a Member State under the above Directive, entities authorized or regulated by a Member State without reference to the above Directive, and entities authorized or regulated by a non-Member State:

- a) Credit Institutions;
- b) Investment Firms;
- c) Other Authorized or regulated financial institutions;
- d) Insurance Companies;
- e) Collective Investment Schemes and management companies of such schemes;
- f) Pension funds and management companies of such funds;
- g) Commodities and commodity derivatives dealers;
- h) Locals;
- i) Other Institutional Investors (like Portfolio Investment Companies).

2. Large undertakings meeting two of the following size requirements on a company basis:

- a) balance sheet total: EUR 20,000,000
- b) net turnover: EUR 40,000,000
- c) own funds: EUR 2,000,000

3. National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organizations.

4. Other institutional investors whose main activity is to invest in financial instruments, including

entities dedicated to the securitization of assets or other financing transactions.

5. Clients who may be treated as professionals on request, following approval by FIBO (please see further below under ‘Opt-up for retail Clients’).

The entities mentioned above from 1) to 4) are considered to be professionals in relation to all investment services and activities and financial instruments. The Clients mentioned in 5) may be treated as professionals generally or in respect of a particular investment service or transaction, or type of transaction or product.

4. ELIGIBLE COUNTERPARTY

“Eligible Counterparty” is any of the following entities to which 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: Cyprus Investment Firm/Greek Investment Firm, other investment firms, credit institutions, insurance companies, UCITS and their management companies, Portfolio Investment Companies, pension funds and their management companies and other financial institutions authorized by a Member State of the European Union or regulated under Community legislation or the national law of a Member State, undertakings exempted from the application of the Investment Services and Activities and Regulated Markets Law 144(I) of 2007 in accordance with paragraphs b) and c) of subsection 2) of section 3, national governments and their corresponding offices, including public bodies that deal with public debt, central banks and supranational organizations.

5. OPT-DOWN

A Client that has been categorized as a Professional Client may, at any time, request FIBO to be treated as a retail Client (and hence benefit from the higher level of protection of retail Clients). Likewise, an Eligible Counterparty may, at any time, request FIBO to be treated as a Professional Client or as a retail Client. If FIBO accepts such request, the Client shall enter into a written agreement with FIBO.

The agreement will specify the particular services or transactions, or the types of products or transactions to which the opt-down applies.

6. OPT-UP

1. Opt-up for retail Clients

A Client who has been categorized as a retail Client by FIBO may ask FIBO in writing to be treated as a Professional Client (and hence may lose certain protection and investor compensation rights), either generally or in respect of a particular investment service or transaction, or type of transaction or product. FIBO may, at its discretion, decide not to take into consideration such treatment.

If FIBO agrees to take into consideration such request, it will upon receipt of such request assess whether the Client meets the objective opt-up conditions. FIBO will further assess the expertise, experience and knowledge of the Client and any other element that is deemed appropriate. In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- a) 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,

b) the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500 000,

c) 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.

FIBO will notify the Client if and when it agrees to categorize the Client as a Professional Client.

2. Opt-up for Professional Clients

Clients that have been categorized as Professional Clients and that meet the opt-up conditions may, with their express consent, be treated as Eligible Counterparties either for all services for which such opt-up is permitted by law or in respect of a particular investment service or transaction, or type of transaction or product.

7. CHANGES TO PROFESSIONAL CLIENT / ELIGIBLE COUNTERPARTY CATEGORIZATION

Professional Clients and Eligible Counterparties are responsible for keeping FIBO informed of any change which could affect their categorization as such. If FIBO becomes aware that a Professional Client or Eligible Counterparty no longer fulfils the initial conditions that made him eligible for a Professional Client/Eligible Counterparty treatment, it may take appropriate action, including re-categorizing the Client as a Professional Client or a Retail Client.

8. CLIENT CONSENT

This document forms part of our Customer Agreement. Therefore, by entering into an Adhesion Contract with FIBO for the provision of Investment and Ancillary services, you are also agreeing to the terms of this document and to be classified according to the terms herein.