

# FXPRIMUS CLIENT CATEGORISATION POLICY



## 1. INTRODUCTION

**1.1** FX Primus Europe (CY) Ltd (the “FXPRIMUS” or “Company”) is a Cyprus Investment Firm (the “CIF”) incorporated in the Republic of Cyprus under the Department of the Registrar of Companies and Official Receiver, holding a Certificate of Incorporation with Number HE 337614.

**1.2** FXPRIMUS is authorised and regulated by the Cyprus Securities and Exchange Commission (the “CySEC”) (www.cysec.gov.cy), with License Number 216/14 and the operations of the Company are governed by the Markets in Financial Instruments Directive (EU Directive 2004/39/EC) (the “MiFID”). The foundations of the services offered to Clients are based on the license granted to the Company by CySEC.

**1.3** As part of the account opening procedure, the Company performs an Appropriateness Test, where the Client is asked a number of questions to enable the Firm to assess the Client’s experience and knowledge of trading. Based on the outcome of this test, MiFID requires that Clients are categorised into Retail, Professional or Eligible Counterparties.

**1.4** FXPRIMUS initially categorises all Clients as Retail irrespective of the information provided. The Client may request to be re-classified as Professional or Eligible Counterparty thereafter.

**1.5** Capitalised terms have the same meaning as stated in the Client Agreement published in the Legal Documents section of our website.

## 2. CATEGORISATIONS

**2.1** The categorisation criteria provided in MiFID are the following:

**2.2** “**Retail Client**” is a Client who is not a professional client or an eligible counterparty;

**2.3** “**Professional Client**” is a Client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assesses the risks that she incurs. In order to be considered a professional client, a Client must fall into one of the following classes:

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

- Credit Institutions;
- Investment Firms;
- 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;
- Commodities and commodity derivatives dealers;
- Locals; and
- Other Institutional Investors (like Portfolio Investment Companies)



**2.3.2** 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**

**2.3.3** 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 organisations.

**2.3.4** Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

**2.3.5** Clients who may be treated as professionals on request, following approval by the Company (please see further below under section 3 “Request for Different Categorisation”).

**2.4** The entities mentioned above from 2.3.1 to 2.3.4 are considered to be professionals in relation to all investment services and activities and financial instruments. The Clients mentioned in 2.3.5 may be treated as professionals generally or in respect of a particular investment service or transaction, or type of transaction or product.

**2.5** Professional clients are responsible for keeping the Company informed about any change which could affect their categorisation. The Company will take action should it become aware that the Client no longer fulfils the initial conditions which made him eligible for a professional treatment.

**2.6** “**Eligible Counterparties**” 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 authorised by a Member State 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 section 3, subsection 2, paragraphs (k) and (l), national governments and their corresponding offices, including public bodies that deal with public debt, central banks and supranational organisations.

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

**3.1** A Retail Client has the right to request a different categorisation as a Professional Client but he will be afforded a lower level of protection as well. The Company is not obliged to grant a different category.

### **TESTS AND CRITERIA**

**3.1.1** The Company is allowed to treat any of the retail clients as professional provided the relevant criteria and procedures mentioned below are fulfilled.

**3.1.2** Any waiver of the protection afforded by the standard conduct of business regime will be effected only if an adequate assessment of the expertise, experience and knowledge of the Client to be undertaken by the Company, will give reasonable assurance, in light of the nature of the transactions or services envisaged, that the Client is capable of making his own investment decisions and understanding the risks involved.



**3.1.3** The fitness test applied to managers and directors of entities licensed under Directives in the financial field could be regarded as an example of such an assessment of expertise and knowledge. In the case of small entities, the person subject to the above assessment should be the person authorised to carry out transactions on behalf of the entity.

**3.1.4** In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- the Client has entered into transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous consecutive quarters;
- the size of the Client's financial instruments portfolio, defined as including both cash deposits and financial instruments, exceeds EUR500.000; and
- 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.

## PROCEDURE

**3.1.5** In order to waive the benefits for the detailed rules of conduct for the Clients provided under MiFID, the following procedure needs to be 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 might lose; and
- they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections and accept them.

**3.1.6** 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 tests and criteria outlined in section 3.1.1 – 3.1.4 above.

**3.2** A Professional Client has the right to request a different classification as a Retail Client in order to obtain a higher level of protection.

**3.3** An Eligible Counterparty has the right to request a different classification either as a Professional Client or Retail Client in order to obtain a higher level of protection.

**3.4** FXPRIMUS reserves the right to decline any of the above requests for different categorisation.



**FX Primus Europe (CY) Ltd**  
**57 Kolonakiou Street**  
**4103 Limassol**  
**Cyprus**

**Customer Service:**

**Phone:** +357 25 262084  
**E-mail:** [support@fxprimus.com](mailto:support@fxprimus.com)

**Client Categorisation Policy**  
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Address: FXPRIMUS Europe (CY) Ltd. | 25 Kolonakiou Street  
Office 102 Zavos Kolonakiou Centre | 4103 Limassol | Cyprus  
Phone: +357 25262084 | Email: [support@fxprimus.com](mailto:support@fxprimus.com)  
Authorised & Regulated by CySEC, licence no. 261/14  
VAT no. 10337614L  
[FXPRIMUS.com](http://FXPRIMUS.com)

