



# **Client Categorization Policy**

License No. GB25204149  
FNmarkets (Mauritius) Ltd

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## **A. INTRODUCTION**

In line with international best practices, and to ensure that our clients are treated fairly and in accordance with their level of knowledge, experience, and risk tolerance, the Company has adopted a client categorization framework inspired by the principles of the Markets in Financial Instruments Directive II (MiFID II).

Accordingly, clients are classified into one of the following categories based on objective criteria:

- Retail Clients
- Professional Clients
- Eligible Counterparties

Clients will be notified in writing of their categorization, which determines the level of disclosure, suitability assessment, and protection applicable to them.

## **B. CATEGORIZATION CRITERIA**

The criteria for categorizing Clients are described below.

1. “Retail Client”: is a client who is neither a Professional nor an Eligible Counterparty;
2. “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. Such clients must fall under one of the following categories:
  - 2.1. Clients considered to be Professionals – “Professional Per Se Client”: The following types of Clients shall be regarded as Professionals Per Se Clients in all investment services offered and financial instruments:
    - 2.1.1. Entities which are required to be authorized or regulated to operate in the financial markets. The list below includes entities authorized or regulated by a third country and is as follows:
      - 2.1.1.1. Credit Institutions;
      - 2.1.1.2. Investment Firms;
      - 2.1.1.3. Other Authorized or regulated financial institutions;
      - 2.1.1.4. Insurance undertakings;
      - 2.1.1.5. Collective Investment Schemes and management companies of such schemes;
      - 2.1.1.6. Pension funds and management companies of such funds;
      - 2.1.1.7. Commodities and commodity derivatives dealers;
      - 2.1.1.8. A firm dealing for its own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets, where responsibility for ensuring the performance of contracts entered into by such a firm is assumed by clearing members of the same markets;

- 2.1.1.9. Other Institutional Investors.
- 2.1.2. Large undertaking meeting two of the following size requirements, on a company basis:
  - 2.1.2.1. Balance sheet total of at least €20,000,000;
  - 2.1.2.2. Net turnover of at least €40,000,000;
  - 2.1.2.3. Own funds at least €2,000,000.
- 2.1.3. National and regional governments, including public bodies that manage public debt at national and 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 organizations.
- 2.1.4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions.

3. Clients who may be treated as Professionals on request – “Elective Professional Client” Clients other than those mentioned in section 2.1, including public sector bodies, local public authorities, municipalities and private individual investors, may request to be treated as Professional clients (to waive some of the protection) provided that criteria and procedure mentioned below are fulfilled.

- 3.1.1. The Company shall undertake assessment of expertise, experience and knowledge of such client to obtain reasonable assurance that the client is capable of making investment decisions and understanding the risks involved. If client is an entity, then the subject to assessment shall be the person authorized to carry out transactions on behalf of the entity. In the course of assessment as a minimum two of the following criteria shall be satisfied:
  - 3.1.1.1. 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,
  - 3.1.1.2. The size of the client’s financial instrument portfolio, defined as including cash deposits and financial instruments exceeds €500,000,
  - 3.1.1.3. The client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of transactions or services envisaged.
- 3.1.2. Clients defined above may waive some of the protection where the following procedure is followed:
  - 3.1.2.1. The client must state in writing to the Company that he wishes to be treated as professional client, either generally or in respect of a particular instrument service or transaction, or type of transaction or product,
  - 3.1.2.2. The Company must him a clear written warning of the protections and investor compensation rights he may lose,

3.1.2.3. The client must state in writing, in a separate document from the contract, that he is aware of the consequences of losing such protections. Before deciding to accept any request for waiver, the Company must take all reasonable steps to ensure that the client requesting to be treated as a professional client meets the relevant requirements stated above. However, if clients have already been categorized as professionals under parameters and procedures similar to those above, it is not intended that their relationships with the Company should be affected by any new rules adopted to MiFID II regulations. All Professional clients are responsible for keeping the Company informed about any change which could affect their categorization.

## **C. ELIGIBLE COUNTERPARTIES**

Any of the following entities: Investment Firms ("IFs"), credit institutions, insurance undertakings, Undertakings for Collective Investment in Transferable Securities ("UCITS") and their management companies, pension funds and their management companies, other financial institutions authorized or regulated under European Law, MiFID, national governments and their corresponding offices, including public bodies that deal with public debt at national level, central banks and supranational organizations.

It is noted that the Company will assess specified quantitative and qualitative criteria in accordance with the provisions of MiFID II regulations and the change of categorization will depend on its absolute discretion, provided that such classification and its application do not contravene the laws and regulations of Mauritius.

## **D. INFORMATION ON THE LEVEL OF PROTECTION**

The additional protection afforded to a Retail Client compared to a Professional Client or an Eligible Counterparty includes without limitation the following:

- A. Retail Clients are provided with more information regarding the Company's fees, charges and expenses;
- B. Retail Clients provide more information regarding their knowledge and experience in the Investment field so as to enable the Company to assess whether the investment service or product envisaged is appropriate for the Client;
- C. The Company must take all reasonable steps to ensure that a Retail Client's order is executed as such in order to obtain best possible results;
- D. A Retail Client will receive information regarding his executed order timely and with more detail as to the content;

- E. A Retail Client who is provided the service of Portfolio Management will receive more detailed and frequent information;
- F. A Retail Client will be informed of the Company's liability in relation to possible solvency of the custodian where Clients' financial instruments are held;
- G. A Retail Client will be informed of the Company's liability in relation to possible solvency of the custodian where Client's financial instruments are held;
- H. A Retail Client will be informed of the Company's Conflict of Interest Policy;
- I. A Retail Client will be informed of the Company's complaint handling procedures;

## **E. APPLICATION AND REVIEW**

This Client Categorization Policy is intended to be read and applied in conjunction with the Company's Terms and Conditions and other governance, compliance, and operational policies, all of which are accessible on the Company's website. Together, these documents establish the comprehensive framework for client classification, ensuring consistency in the assessment, notification, and ongoing management of client categories, and providing clarity on the respective rights, obligations, and levels of protection afforded to each client type.

This Policy is subject to periodic review and may be updated by the Company to reflect changes in regulatory guidance, industry best practices, or internal procedures. Clients will be notified of any significant updates where applicable.