



**MEGA EQUITY**

SECURITIES & FINANCIAL SERVICES PUBLIC LTD

## **Client Categorisation Notice**



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## 1. Scope

- 1.1. Mega Equity Securities and Financial Services Public Limited (the “Company”) has developed and adopted this Client Categorisation Notice and is required to categorize each client (the “Client”) as “Retail”, “Professional” or “Eligible Counterparty”.
- 1.2. By agreeing to the terms of the Client Agreement, clients (the “Client”) also agree to the terms of this policy, which form part of the Client AGREEMENT.

## 2. Categorisation criteria

- 2.1. The categorisation criteria set by the relevant legislation are the following:
- 2.2. “Retail Client” is a client who does not qualify as a Professional Client or an Eligible Counterparty. Retail Clients benefit from the highest level of regulatory protection and disclosure provided by the Company.
- 2.3. ‘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.

Certain categories of clients are considered to be Professional Clients on the basis of the provisions of MiFID II and Law 87(I)/2017. These are referred to as ‘per se’ professional clients.

Other clients may be treated as professional clients on request provided that the relevant criteria and procedures provided in MiFID II and Law 87(I)/2017 are satisfied. Those are referred to as ‘elective’ professional clients.

For a client to qualify as a Professional Client, the client must fulfil the criteria set out below:

### i) Per se professional clients

The following are all regarded as professionals in all investment services and activities and financial instruments for the purposes of MiFID II and Law 87(I)/2017:

1. Entities which are required to be authorised or regulated to operate in the financial markets (including entities authorised by a Member State under a Directive, entities authorised or regulated by an EU Member State without reference to a Directive and entities authorised or regulated by a non- EU Member State):
  - (a) Credit Institutions
  - (b) Investment Firms
  - (c) Other authorised 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) Commodity and commodity derivatives dealers
  - (h) Local enterprises
  - (i) Other institutional investors



2. Large undertakings which satisfy at least two of the following size requirements on a company basis:

- (a) balance sheet total at least Euro 20.000.000
- (b) net turnover at least Euro 40.000.000
- (c) own funds at least Euro 2.000.000.

National and regional governments, 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.

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

ii) Elective professional clients

Clients, other than those mentioned in paragraph I, who requested to be treated as Professional Clients, including:

- (a) Public sector bodies
- (b) Local public authorities
- (c) Municipalities
- (d) Private individual investors

Upon such request, the Company will undertake an assessment of the expertise, experience and knowledge of such client in accordance to its internal policies and procedures.

In the course of the above assessment, at least two of the following criteria should be met:

- 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 Client's financial instrument portfolio, including cash deposits and financial instruments, exceeds EUR 500,000;
- the client works or has worked in the financial sector financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

2.1.1. Professional Clients are not entitled to the same level of protection or information as Retail Clients. It is the responsibility of the Client, classified as a Professional Client, to request a higher level of protection if it believes that it is unable to properly assess or manage the risks involved.

2.1.2. Professional Clients are responsible for notifying the Company of any changes that may affect their current categorisation. However, if the Company becomes aware that the Client no longer meets the conditions that qualified them for professional treatment, the Company is obliged to take appropriate action.

2.1.3. 'Eligible Counterparty' is any of the following entities with whom the Company may bring about or enter into a transaction in the course of execution of orders on behalf of clients and/or dealing on won account and/or receiving and transmitting orders: investment firms, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies and other financial institutions authorised or regulated under EU law or the national law of an EU Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations. Non-EU entities equivalent to the entities referred to in this paragraph are also regarded as eligible counterparties.



- 2.1.4. In essence Eligible counterparties are Professional clients of specified types who receive lower degree of protection in respect of the transaction with the Company or in respect of the ancillary service directly relating to the transaction in the course of execution of orders on behalf of clients and/or dealing on own account and/or receiving and transmitting orders and ancillary services related to any of these investment services. For any other investment or ancillary service these clients are not treated as Eligible Counterparties.
- 2.1.5. Under the Law 87(I)/2017, CySEC shall recognise as eligible counterparties other undertakings meeting pre-determined proportionate requirements, including quantitate thresholds.
- 2.1.6. Retail clients and elective Professional clients cannot be treated as Eligible Counterparties.
- 2.1.7. Classification as an Eligible Counterparty shall be without prejudice to the right of such entities to request, either in a general form or on a trade-by-trade basis, treatment as clients whose business with the Company is subject to the protection afforded to Retail Clients or Professional Clients and thus subject to higher level of protection and information.

### **3. Request for different classification**

- 3.1. A client has the right at any time to request in a durable medium the change of categorisation, whether generally or for a particular service or transaction or type of transaction or product or instrument. The Company reserves the right not to accept such request.
- 3.2. A Retail Client has the right to request to be treated as a Professional Client and, in doing so, to waive certain protections afforded by the conduct of business rules. Consequently, the Client will receive a lower level of protection. The Company shall assess the criteria outlined in section 2.2, as well as the Client's expertise, experience, and knowledge, in accordance with its internal policies and procedures. The Company is not obliged to accept the Client's request.
- 3.3. A Professional Client has the right to request to be treated as a Retail Client to obtain a higher level of protection. It is the responsibility of the Client, classified as a Professional Client, to request for a higher level of protection, if it considers itself unable to properly assess or manage the risks involved. Such protection will be granted when a client considered as a Professional Client enters into a written agreement with the Company to the effect that it shall not be treated as a Professional Client for the purposes of the applicable conduct of business rules. Such agreement shall specify whether this applies to one or more services or transactions, or to one or more types of products or transactions.
- 3.4. An Eligible Counterparty has the right to request to be treated either as a Professional Client or Retail Client to obtain a higher level of protection. Such request may relate to one or more investment services or transactions, or to one or more types of transaction or product. It is the responsibility of the Client, Classified as an Eligible Counterparty, to request a higher level of protection, equivalent to that afforded to Retail Clients, if it considers itself unable to properly assess or manage the risks involved. This higher level of protection will be provided when a Client considered an Eligible Counterparty enters into a written agreement with the Company stipulating that it shall not be treated as an Eligible Counterparty for the purposes of the applicable conduct of business rules. The agreement shall specify whether this applies to one or more services or transactions, or to one or more types of products or transactions. The Company is not obliged to accept such an arrangement.



## **4. Policy Review and Updates**

- 4.1. This Client Categorisation Notice is reviewed by the Company at least annually or more frequently where deemed necessary to reflect regulatory, operational, or business changes.
- 4.2. The most recent version of this Policy is available on our website and is also provided as part of the account opening documentation.
- 4.3. This Policy may be updated or amended from time to time. When significant changes are made, the Company will notify you accordingly and update the revision date indicated below in section 5. We recommend that you periodically review the Policy published on our website to remain informed about how the Company categorises clients and applies the related regulatory requirements.