



Plus500

World's Trading Machine

Client Categorisation Policy



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This Client Categorisation Policy forms part of the Client Agreement as defined in the User Agreement.

1. Introduction

- 1.1. Plus500UK Ltd. (the “Company”) is authorised and regulated by the Financial Conduct Authority (“FCA”) under Firm Reference Number 509909 and is a company registered in England and Wales (Company Number 07024970).
- 1.2. This Policy, provides you with information and details on procedures adopted by the Company, pursuant to and in accordance to the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets financial instruments and amending Directive 2002/92EC and Directive 2011/61EU (“MiFID II”) on how the Company classifies its clients into the available categories as defined in applicable rules and regulations.
- 1.3. According to the FCA Handbook, Conduct of Business Sourcebook regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which transposed MiFID II in respect of Client Categorisation in to FCA legislation and FCA rules, as stated in the User Agreement, Plus500UK Ltd is required to categorise all its clients into one of the following three categories: Retail, Professional or Eligible Counterparty.
- 1.4. Plus500UK Ltd currently accepts only Retail clients and Retail clients who explicitly request to be treated as Professional (“**Elective Professional Client**”, “**EPC**”). Moreover, the Company only accepts clients who are individuals and not corporate entities.

2. Client Classification Categories

- 2.1. “**Retail client**” is a client who is not a Professional client or an Eligible Counterparty. Retail clients are afforded with the highest level of regulatory protection.
- 2.2. “**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.
- 2.3. “**Eligible Counterparty**” is typically a financial institution in the regulated securities, banking and insurance sectors.

3. Request for Re-classification

- 3.1. Any Retail client can explicitly request to be re-classified/re-categorised as a “Professional client” and hence waive some of the protections afforded by the Law (see section 4 below).
- 3.2. The Company is allowed to treat any Retail client as Professional client provided the relevant criteria and procedures mentioned here below are fulfilled. These clients are not,



however, presumed to possess market knowledge and experience comparable to that of the Professional clients by default (point 2.2 above).

- 3.3. Any waiver of the protection afforded to such clients shall be considered valid only if an adequate assessment of the expertise, experience and knowledge of the client, undertaken by the Company, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the said client is capable of making his own investment decisions and the risks involved.
- 3.4. The Company will assess the applicant client's knowledge and experience. In the course of the assessment, as a minimum, two of the following criteria should be satisfied:
 - 3.4.1. 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;
 - 3.4.2. The size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds 500,000 Euros;
 - 3.4.3. 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.
- 3.5. The Retail client who requests to be treated as a Professional client may waive the benefit of the Retail client's rules of conduct only where the following procedure is followed:
 - (i) The client notifies/requests the Company that it wishes to apply to be treated as a Professional client;
 - (ii) The Company provides the client a clear written warning of the protections and investor compensation rights it may lose;
 - (iii) The client confirms explicitly that it is aware of and consents to the consequences of losing such protections.
- 3.6. Requests by Retail clients to be treated as Professional clients are considered as requests for re-categorisation in general for the purposes of the business relationship with the Company, in relation to all the products, transactions and services offered by the Company. Re-categorisation of Retail clients as Professional clients in relation to a specific service, product or transaction or type of transaction is not available.
- 3.7. Before deciding to accept any request for re-categorisation by a client the Company takes all reasonable steps to ensure that the client requesting to be treated as a Professional client meets the relevant requirements.
- 3.8. Any Retail client who has requested to be re-categorised as Professional client may at any point request the Company to be re-categorised back to a Retail client.
- 3.9. Professional clients on request (i.e. Elective Professional clients) are responsible for keeping the Company informed about any change which could affect their current categorisation. However, if the Company becomes aware that the Client no longer fulfils the initial conditions which made it eligible for a professional treatment, the Company shall take appropriate action.
- 3.10. Retail clients may request for re-categorisation to an Elective Professional Client and/or more information about the other categories via the Trading Platform and/or by contacting us via the "Contact Us" page on our Website.



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