

Client Categorisation

Retail Client

All Clients will be treated and considered by BLACK PEARL SECURITIES LTD (“BP”) as Retail Clients unless they meet criteria to be considered as either an Elective Professional Client, Professional Client and/or an Eligible Counterparty. BP shall contact the potential client directly if he/she is considered anything other than a Retail Client.

You may request a different client categorisation from the one we have allocated to you, but please be aware that we may decline such a request. If you do request a different categorisation and we agree to such a request, you may lose the protection afforded by certain FCA Rules. Please read through the criteria below. If you do not fit the criteria for Professional Client or Elective Professional Client you will be a Retail Client.

Elective Professional

Under the EU’s Markets in Financial Instruments Directive (MiFID), the client will be classified as an Elective Professional Client if, having assessed the client’s expertise, experience, and knowledge, BP is reasonably assured, in light of the nature of the transactions or services envisaged, that the client is capable of making his own investment decisions and understands the risks involved. In making this assessment the client must understand that BP relies on information already in its possession and it may request further additional information from the client if necessary.

- As a consequence of this assessment and classification as a Professional client, the client understand that BP will be able to promote various financial products and investment opportunities to the client.
- The client warrants that he has the necessary expertise, experience and knowledge of making its own investment decisions and understands the risks involved in investing in the financial products and investment opportunities being marketed to him.
- Client also confirms that he has read and understood the differences between the treatment of Professional and Retail clients and that he fully understands the protections and compensation rights that he may lose and the consequences of losing such protections.

- Client is fully aware that it is up to him to keep the firm informed of any change that could affect his
- categorisation. The client should be treated as an Elective Professional Client if he fulfils the criteria below:

Qualitative Test

1. Client has the expertise, experience and knowledge to be capable of making his own investment decisions. Quantitative Test (At least two of the three criteria below)
2. Client has carried out transactions in significant size, on the relative market at an average frequency of 10 per quarter over the previous four quarters.
3. The size of his client's financial instrument portfolio, including cash deposits and financial instruments exceeds 500k EUR.
4. 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.

Professional

If a client is classified as a Professional investor (including an Elective Professional client) for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, they will have to understand that this means:

1. Client can receive financial promotions that may not have been approved by a person authorised by the Financial Conduct Authority.
2. The content of such financial promotions may not conform to rules issued by the Financial Conduct Authority.
3. Client will have no right to complain to the Financial Conduct Authority or the Financial Ombudsman Scheme.
4. Client will have no right to seek compensation from the Financial Services Compensation Scheme.
5. The client accepts that he can lose his property and other assets from making investment decisions based on financial promotions.
6. Client is aware that it is open to him to seek advice from someone who specialises in advising on investments (including unregulated investment schemes).

Clients will be treated as a Professional Client if they are or represent one or more of the following:

1. A regulated entity
2. A large company
3. A partnership with net assets of at least £5 million
4. A trustee of a trust which has (or had at any time in the previous 2 years) assets of at least £10 million
5. A public body or bank that manages public debt
6. An institutional investor whose main activity is to invest in financial instruments or designated investments