HITOMORROW SECURITIES LTD

CLIENT DOCUMENTATION

Client Categorisation Policy

Hitomorrow Securities Ltd (previously T.C.R. International Ltd)
Cyprus Investment Firm · CIF licence no. 237/14 · Reg. No. HE 326383
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1. Client categorisation information

Hitomorrow Securities Ltd (previously T.C.R. International Ltd) (hereinafter “the IF” or “the Company”) is an authorised investment firm supervised by the Cyprus Securities and Exchange Commission under licence number 237/14 for the provision of investment services.

Following the transposition of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“MiFID II”) into Cyprus law by the enactment of the Investment Services and Activities and Regulated Markets Law of 2017 (“the Law”), and the application of the relevant supplementing acts, including but not limited to Regulation (EU) 600/2014 on markets in financial instruments and Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the “Commission Delegated Regulation”) (together, “the Regulations”), the IF is required to classify its clients into one of the following three categories: **retail**, **professional** or, in certain circumstances, **eligible counterparty**.

This document is provided as a clear written warning of the protections and investor compensation rights a client might lose by being treated as a professional client as opposed to a retail client, and as an eligible counterparty as opposed to a professional client or a retail client. It is not comprehensive; it merely summarises certain provisions of the applicable rules.

It is important that you read and understand this document before you decide to request to be treated as a professional client or as an eligible counterparty, as the case may be.

> The Company is authorised to provide the investment services of reception and transmission of orders, execution of orders on behalf of clients, and dealing on own account. **The Company does not provide the investment services of portfolio management or investment advice.** References to those services in the summary table in section 3 below are included only because that table summarises the protections available under the Law generally.

2. Categorisation criteria

A. Retail client

A “retail client” is a client who is not a professional client or an eligible counterparty.

Retail clients are entitled to receive the highest level of protection and information from the IF.

Public sector bodies, local public authorities, municipalities and private individual investors will be classified as retail clients, unless they have elected to be treated as professional clients, as defined below, and thereby to waive some of the protections afforded to them.

B. Professional client

A “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 client are considered to be professional clients on the basis of the provisions of MiFID II and the Law. 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 the Law are satisfied. Those are referred to as “elective” professional clients.

1. Per se professional clients

The following are all regarded as professionals in respect of all investment services and activities and financial instruments for the purposes of MiFID II and the Law:

1. Entities which are required to be authorised or regulated in order 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 of at least EUR 20,000,000;
b. net turnover of at least EUR 40,000,000;
c. own funds of at least EUR 2,000,000.

3. National and regional governments, public bodies that manage public debt at national or regional level, central banks, and 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.

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. Elective professional clients

Clients other than those mentioned above who have requested to be treated as professional clients, including:

a. public sector bodies;
b. local public authorities;
c. municipalities;
d. private individual investors.

Upon such a request, the IF will undertake an assessment of the expertise, experience and knowledge of the client in accordance with its internal policies and procedures. In the course of that assessment, as a minimum, two of the following criteria must be satisfied:

- 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 size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;
- 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 clients are not entitled to as high a level of protection and information as retail clients. Professional clients are responsible for keeping the IF informed of any change which could affect their current categorisation. Should the IF become aware that a client no longer fulfils the initial conditions which made that client eligible for professional treatment, the IF is obliged to take appropriate action.

C. Eligible counterparty

An "eligible counterparty" is any of the following entities with whom the IF may bring about or enter into a transaction in the course of the execution of orders on behalf of clients, dealing on own account, or the reception and transmission of 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.

In essence, eligible counterparties are professional clients of specified types who receive a lower degree of protection in respect of transactions with the IF, or in respect of ancillary services directly relating to such transactions, in the course of the execution of orders on behalf of clients, dealing on own account, and the reception and transmission of orders, and ancillary services related to any of those investment services. For any other investment or ancillary service, these clients are not treated as eligible counterparties.

Under the Law, CySEC shall recognise as eligible counterparties other undertakings meeting pre-determined proportionate requirements, including quantitative thresholds.

Retail clients and elective professional clients cannot be treated as eligible counterparties.

Classification as an eligible counterparty is without prejudice to the right of such entities to request, either generally or on a trade-by-trade basis, treatment as clients whose business with the IF is subject to the protection afforded to retail clients or professional clients, and thus subject to a higher level of protection and information.

Request for a different classification

A client has the right at any time to request, in a durable medium, a change of categorisation, whether generally or in respect of a particular service, transaction, type of transaction, product or instrument. The IF reserves the right not to accept such a request.

A **retail client** has the right to request to be treated as a professional client, and thereby to waive some of the protections afforded by the conduct of business rules, receiving a lower level of protection. In such a case the IF shall undertake an assessment of the criteria mentioned in section B.2 above, as well as of the expertise, experience and knowledge of the client, in accordance with its internal policies and procedures. The IF is not obliged to deal with the client on this basis.

A **professional client** has the right to request to be treated as a retail client in order to obtain a higher level of protection. It is the responsibility of a client considered to be a professional client to ask for a higher level of protection where that client considers itself unable properly to assess or manage the risks involved. This higher level of protection will be provided where a client who is considered to be a professional client enters into a written agreement with the IF to the effect that it shall not be treated as a professional client for the purposes of the applicable conduct of business regime. Such an agreement shall specify whether it applies to one or more particular services or transactions, or to one or more types of product or transaction.

An **eligible counterparty** has the right to request to be treated either as a professional client or as a retail client in order to obtain a higher level of protection. Such a 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 a client considered to be an eligible counterparty to ask for the higher level of protection applicable to retail clients where that client considers itself unable properly to assess or manage the risks involved. This higher level of protection will be provided where a client who is considered to be an eligible counterparty enters into a written agreement with the IF to the effect that it shall not be treated as an eligible counterparty for the purposes of the applicable conduct of business regime. Such an agreement shall specify whether it applies to one or more particular services or transactions, or to one or more types of product or transaction. The IF is not obliged to deal with the client on this basis.

Re-categorisation of a client as a professional client upon request

Clients who may be treated as professionals on request

A client other than a professional client mentioned in Part I of the Second Appendix to the Law, including public sector bodies, local public authorities, municipalities and private individual investors, may be permitted to waive some of the protections afforded by the conduct of business rules of the IF.

1. Identification criteria

The IF is allowed to treat any such client as a professional provided the criteria and procedure set out below are fulfilled. Such clients shall not, however, be presumed to possess market knowledge and experience comparable to that of the professional clients listed in Part I of the Second Appendix to the Law.

Any such waiver of the protection afforded by the standard conduct of business regime shall be considered valid only if an adequate assessment of the expertise, experience and knowledge of the client is undertaken by the IF, which gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client or, in the case of a legal entity, its managers and directors, are capable of making their own investment decisions and of understanding the risks involved.

The IF shall apply assessments of expertise and knowledge equivalent to the fitness test applied to managers and directors of entities licensed under Directives of the European Union in the financial field, as the IF deems fit. In the case of clients which are small entities, the person subject to that assessment shall be the person authorised to carry out transactions on behalf of the client.

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

- 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 size of the client’s financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds €500,000;
- 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.

Even where two of the above criteria are met, the IF is not obliged to treat the client as a professional client. The IF reserves the right, in addition to considering the above criteria, to undertake a proper assessment of the client’s expertise, experience and knowledge, and only where it is reasonably satisfied that the client is capable of making investment decisions on its own and of understanding the risks involved may it decide to treat that client as a professional client.

In the case of corporate accounts or joint accounts, the person subject to the above assessment shall be the person authorised to take investment decisions and carry out transactions on behalf of the account.

2. Procedure

A client as defined above may waive the benefit of the detailed rules of conduct only where the following procedure is followed:

- the client must state in writing to the IF that it wishes 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 IF will give the client a clear written warning of the protections and investor compensation rights it may lose;
- the client shall state in writing, in a document separate from the contract, that it is aware of the consequences of losing such protections.

Before deciding to accept the client’s request for a waiver, the IF shall take all reasonable steps to ensure that the client requesting to be treated as a professional client meets the requirements set out in section 1 (Identification criteria) above. It is expected that a client submitting such a request will be in a position to supply the IF with any relevant information or document that may be required.

Professional clients are responsible for keeping the IF informed of any change which could affect their current categorisation. Should the IF become aware that a client no longer fulfils the initial conditions which made that client eligible for professional treatment, the IF may take appropriate action.

3. Summary of protections by client category

Differences in treatment between retail clients, professional clients and eligible counterparties relating to the period prior to the signing of the agreement are not set out below. This table summarises the protections available under the Law and the Commission Delegated Regulation; it is not a description of the services provided by the Company.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
1. General principles and information to clients	Duty to act in accordance with the best interests of the client.	Applicable	Applicable	Not applicable
	Duty to act honestly, fairly and professionally.	Applicable	Applicable	Applicable
	Duty to communicate in a way that is fair, clear and not misleading.	Applicable	Applicable	Applicable
	Manufacturing of financial instruments: the IF, when manufacturing financial instruments for sale to clients, must ensure that those financial instruments are designed to meet the needs of an identified target market of end clients within the relevant category of clients, that the strategy for distribution of the financial instruments is compatible with the identified target market, and that the IF takes reasonable steps to ensure that the financial instrument is distributed to the identified target market.	Applicable	Applicable	Not applicable
	The IF must understand the financial instruments offered or recommended, assess the compatibility of the financial instruments with the needs of the clients to whom it provides investment services, taking account of the identified target market of end clients, and must ensure that financial instruments are offered or recommended only when this is in the interest of the client.	Applicable	Applicable	Not applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	Information and communication: all information, including marketing communications, addressed by the IF to clients must be fair, clear and not misleading.	Applicable	Applicable	Applicable. The level of detail, the medium and the timing of provision of information may differ.
	Obligation of the IF to provide clients, in good time before the provision of investment or ancillary services, with a general description of the nature and risks of financial instruments, taking into account in particular the client's categorisation. That description shall explain the nature of the specific type of instrument concerned, the functioning and performance of the financial instrument in different market conditions, including both positive and negative conditions, and the risks particular to that specific type of instrument, in sufficient detail to enable the client to take investment decisions on an informed basis.	Applicable	Applicable	Applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	Obligation of the IF to disclose, prior to the provision of the service, the existence, nature and amount of any payment or benefit or, where the amount cannot be ascertained, the method of calculating it, clearly and in a manner that is comprehensive, accurate and understandable. Where applicable, the IF shall also inform the client of the mechanisms for transferring to the client any fee, commission, or monetary or non-monetary benefit received in relation to the provision of the investment or ancillary service by any party other than the client or a person acting on the client's behalf.	Applicable	Applicable	Not applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	Obligation of the IF to inform the client whether it is possible to buy the different components separately, and to provide separate evidence of the costs and charges of each component, where an investment service is offered together with another service or product as part of a package or as a condition for the same agreement or package; and to provide an adequate description of the different components of the agreement or package and of the way in which their interaction modifies the risks, where the risks resulting from such a package offered to a retail client are likely to differ from the risks associated with the components taken separately.	Applicable	Applicable	Not applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
1. *continued*	**Information on costs and associated charges:** the Commission Delegated Regulation provides detailed rules as to the information to be provided to clients both ex ante and ex post.	Applicable	Applicable. The IF has the right to agree a limited application of the detailed requirements. Such a limitation cannot be agreed where the services of investment advice or portfolio management are provided, or where, irrespective of the investment service, the financial instruments concerned embed a derivative.	Applicable. The IF has the right to agree a limited application of the detailed requirements, except where, irrespective of the investment service provided, the financial instruments concerned embed a derivative and the eligible counterparty intends to offer them to its clients.
	Specific information about currency fluctuations: where the information contains an indication of the past performance of a financial instrument, a financial index or an investment service, the IF must ensure that certain conditions are satisfied.	Applicable, with the following additional protection: where the indication relies on figures denominated in a currency other than that of the member state in which the retail client is resident, the currency is clearly stated, together with a warning that the return may increase or decrease as a result of currency fluctuation.	Applicable	Applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	Information about a financial instrument in respect of which a prospectus is available.	Applicable. Where an IF provides a retail client with information about a financial instrument that is the subject of a current offer to the public, and a prospectus has been published in connection with that offer in accordance with Regulation (EU) 2017/1129, the IF shall, in good time before the provision of investment or ancillary services, inform the client where that prospectus is made available to the public.	Not applicable	Not applicable
2. Client agreements	The IF is required to enter into a written agreement, on paper or in another durable medium, with the client, setting out the essential rights and obligations of the IF and of the client.	Applicable	Applicable	Not applicable. Only the obligation of the IF to establish a record that includes the document or documents agreed between the IF and the client setting out the rights and obligations of the parties, and the other terms on which the IF will provide services to the client, is applicable.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
3. Reporting	Information concerning the safeguarding of client financial instruments or client funds.	Applicable	Applicable	Applicable, but the IF may enter into agreements with eligible counterparties to determine the content and timing of reporting differently from the relevant provisions.
	Reporting obligations in respect of the execution of orders other than for portfolio management.	Applicable	Applicable	Applicable, unless the IF enters into agreements with eligible counterparties to determine the content and timing of reporting.
	Special reporting obligations in respect of portfolio management.	Applicable	Applicable	Applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
4. Depreciation in value reporting for portfolio management or contingent liability transactions	When providing the service of portfolio management, the IF must inform the client where the overall value of the portfolio, as evaluated at the beginning of each reporting period, depreciates by 10% and thereafter at multiples of 10%, no later than the end of the business day on which the threshold is exceeded or, where the threshold is exceeded on a non-business day, the close of the next business day.	Applicable, with additional protection: where the IF holds a retail client account that includes positions in leveraged financial instruments or contingent liability transactions, it must inform the client where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%. Reporting should be on an instrument-by-instrument basis, unless otherwise agreed with the client, and shall take place no later than the end of the business day on which the threshold is exceeded or, where the threshold is exceeded on a non-business day, the close of the next business day.	Applicable	Not relevant, because it is not possible to be treated as an eligible counterparty for that service.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
5. Provision of information on the order execution policy	Information on the order execution policy shall explain clearly, in sufficient detail and in a way that can be easily understood by clients, how orders will be executed by the IF for the client.	Applicable. Where the IF executes orders for retail clients, it shall provide those clients with a summary of the relevant policy, focused on the total costs they incur. The summary shall also provide a link to the most recent execution quality data published in accordance with section 28(3) of the Law for each execution venue listed by the IF in its execution policy.	Applicable	Not applicable
	Systematic internalisers shall, while complying with section 28 of the Law, execute the orders they receive from their clients in relation to shares, depositary receipts, ETFs, certificates and other similar financial instruments for which they are systematic internalisers, at the quoted prices at the time of reception of the order. However, in justified cases they may execute those orders at a better price, provided that the price falls within a public range close to market conditions.	Applicable	Applicable, but deviation is possible. Systematic internalisers may execute orders they receive from their professional clients at prices different from their quoted prices without having to comply with the aforementioned requirements, in respect of transactions where execution in several securities is part of one transaction, or in respect of orders that are subject to conditions other than the current market price.	Applicable, but deviation is possible. Systematic internalisers may execute orders they receive from their professional clients at prices different from their quoted prices without having to comply with the aforementioned requirements, in respect of transactions where execution in several securities is part of one transaction, or in respect of orders that are subject to conditions other than the current market price.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
6. Best execution	The IF is obliged to take all sufficient steps to obtain, when executing orders, the best possible result for its clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order. Nevertheless, where there is a specific instruction from the client, the IF must execute the order following that specific instruction. When executing client orders, the IF shall take into account certain criteria for determining the relative importance of the factors referred to in section 28(1) of the Law, among others: the characteristics of the client, including the categorisation of the client as retail or professional; the characteristics of the client order, including where the order involves a securities financing transaction; the characteristics of the financial instruments that are the subject of that order; and the characteristics of the execution venues to which that order can be directed. The application and relative importance of the relevant execution factors adopted by the IF vary depending on the categorisation of the client.	Applicable, with the following additional protections: where the IF executes an order on behalf of a retail client, the best possible result must be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which must include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. Where the IF executes a retail client's order in the absence of specific client instructions, it should take into consideration all factors that will enable it to deliver the best possible result in terms of the total consideration. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.	Applicable	Not applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
7. Client order handling	The IF, authorised to execute orders on behalf of clients, is obliged to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders relative to other client orders or to the trading interests of the IF. Those procedures and arrangements allow for the execution of otherwise comparable client orders in accordance with the time of their reception by the IF.	Applicable, with the following additional protection: obligation to inform a retail client of any material difficulty relevant to the proper carrying out of orders, promptly upon becoming aware of the difficulty.	Applicable	Applicable
	Title transfer financial collateral arrangements: prohibition on the conclusion of title transfer financial collateral arrangements with retail clients for the purpose of securing or covering present or future, actual, contingent or prospective obligations of the client.	Applicable	Not applicable	Not applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
8. Assessment of suitability and appropriateness, and suitability reports	When providing investment advice or portfolio management, the IF shall obtain the necessary information regarding the client's knowledge and experience in the investment field relevant to the specific type of product or service, that person's financial situation including the ability to bear losses, and investment objectives including risk tolerance, so as to enable the IF to recommend to the client the investment services and financial instruments that are suitable and, in particular, in accordance with the client's risk tolerance and ability to bear losses.	Applicable	Applicable	Not relevant, because it is not possible to be treated as an eligible counterparty for those services.
	Assumption: where the IF provides an investment service to a professional client, that in relation to the products, transactions and services for which it is so classified, the client has the necessary level of experience and knowledge to understand the risks involved in the transaction or in the management of its portfolio.	Assumption not applicable, therefore increased protection.	Assumption applicable	Not relevant
	Assumption: where the investment service consists in the provision of investment advice to a per se professional client, that the client is able financially to bear any related investment risks consistent with its investment objectives.	Assumption not applicable, therefore increased protection.	Assumption applicable only in relation to a professional client covered by Section II of Annex II to the Law, that is, a per se professional client.	Not relevant

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	When providing investment services other than investment advice, the IF asks the client to provide information regarding that person's knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded, so as to enable the IF to assess whether the investment service or product envisaged is appropriate for the client.	Applicable	Applicable	Not applicable
	Based on the information collected, the IF shall determine whether the client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or investment service offered or demanded, when assessing whether an investment service referred to in section 26(3) of the Law is appropriate for that client. The IF is entitled to assume that a professional client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the client is classified as a professional client.	Assumption not applicable, therefore increased protection.	Assumption applicable	Not applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	The IF shall provide the client with adequate reports on the service provided, in a durable medium. Those reports shall include periodic communications to clients, taking into account the type and complexity of the financial instruments involved and the nature of the service provided, and shall include, where applicable, the costs associated with the transactions and services undertaken on behalf of the client.	Applicable	Applicable	Applicable

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
	Written statement on suitability: when providing investment advice, the IF shall, before the transaction is made, provide the client with a statement on suitability in a durable medium, specifying the advice given and how that advice meets the preferences, objectives and other characteristics of the retail client. The IF shall provide a report to the retail client that includes an outline of the advice given and how the recommendation provided is suitable for the retail client, including how it meets the client's objectives and personal circumstances with reference to the investment term required, the client's knowledge and experience, and the client's attitude to risk and capacity for loss. The IF shall draw clients' attention to, and include in the suitability report information on, whether the recommended services or instruments are likely to require the retail client to seek a periodic review of their arrangements. Where the IF provides a service that involves periodic suitability assessments and reports, the subsequent reports after the initial service is established may cover only changes in the services or instruments involved and/or in the circumstances of the client, and need not repeat all the details of the first report.	Applicable	Not applicable	Not relevant, because it is not possible to be treated as an eligible counterparty for that service.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
9. Provision of services in non-complex instruments	A financial instrument which is not explicitly specified in section 26(4)(a) of the Law shall be considered non-complex for the purposes of section 26(4)(a)(vi) of the Law if, among other criteria, adequately comprehensive information on its characteristics is publicly available and is likely to be readily understood, so as to enable the average retail client to make an informed judgment as to whether to enter into a transaction in that instrument.	Applicable	Applicable	Applicable
10. Remuneration and incentives to staff	The IF, when providing investment services to clients, is obliged to ensure that it does not remunerate or assess the performance of its staff in a way that conflicts with its duty to act in the best interests of its clients. In particular, the IF is obliged not to make any arrangement by way of remuneration, sales targets or otherwise that could provide an incentive to its staff to recommend a particular financial instrument to a retail client when the IF could offer a different financial instrument which would better meet that client's needs.	Applicable	Applicable	Not applicable, but no special duty to prevent incentives for recommendations of a particular financial instrument when the IF could offer a different financial instrument which would better meet that client's needs.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
11. Trading obligation	The IF must ensure that the trades it undertakes in shares admitted to trading on a regulated market or traded on a trading venue take place on a regulated market, an MTF or a systematic internaliser, or on a third-country trading venue assessed as equivalent in accordance with section 26(4)(a) of the Law, as appropriate, unless their characteristics include that they: (a) are non-systematic, ad hoc, irregular and infrequent; or (b) are carried out between eligible and/or professional counterparties and do not contribute to the price discovery process.	Applicable	Not applicable under certain conditions.	Not applicable under certain conditions.
12. Compensation	The IF is a member of the Investor Compensation Fund for clients of CIFs. Claims for compensation from that fund are available only for certain types of claimant and claims in respect of certain types of business. Eligibility for compensation from that fund is determined under the rules applicable to the Investor Compensation Fund for clients of CIFs, and the client's right to make a claim depends not on the categorisation under the Law but on the provisions of the rules applicable to that fund.	Applicable	Not applicable to certain types of professional investor.	Not applicable to certain types of professional investor.

TYPE OF PROTECTION	SUMMARY OF RULES	RETAIL CLIENTS	PROFESSIONAL CLIENTS	ELIGIBLE COUNTERPARTY
13. Financial Ombudsman	The services of the Financial Ombudsman are available to consumers. For non-individuals there are eligibility thresholds on the basis of turnover. Where the claimant is a financial institution, a claim can be submitted only if the claim relates to services that the claimant does not offer to its clients.	Applicable	Applicable under certain circumstances. Limitations probably affect professional clients.	Applicable under certain circumstances. Limitations probably affect professional clients.