

CUSTOMER CATEGORIZATION POLICY

2019 v02

HCI/NTL – Information on Client Categorisation

The purpose of this information is to notify you, as a new client, and prior to providing you with any trading or other investment service, of your categorization as a retail client, a professional client, or an eligible counterparty. This notification will include any rights you have to request a different categorization, and any limitations to client protection any such change would create.

You are entitled to request a re-categorisation as a client that will benefit from a higher degree of protection: as a professional client or an eligible counterparty you may request to be categorized as a retail client.

You are similarly entitled, subject to our agreement for you to do so, to request a different categorization involving a lower level of protection.

Clients may be categorized as follows:

“Retail Client”:

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

“Professional Client”:

A client who possesses the experience, knowledge and expertise to make his/her own investment decisions and properly assess the risks that such decisions will incur.

This will include:

a. Entities which are required to be authorised or regulated to operate in the financial markets.

The list below will include both authorized and/or regulated entities operating both within EU Member States and those within non-Member States.

- i. Credit Institutions
- ii. Investment Firms
- iii. Other authorised or regulated financial institutions
- iv. Insurance Companies
- v. Collective investment schemes and management companies of such schemes
- vi. Pension funds and management companies of such funds
- vii. Commodity and commodity derivatives dealers
- viii. Locals
- ix. Other institutional investors

b. Large undertakings meeting two of the following size requirements on a company basis:

- balance sheet total: EUR20,000,000
- net turnover: EUR40,000,000
- own funds: EUR2,000,000

c. National and regional governments, public bodies that manage public debt, Central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.

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

Clients not falling under any of the above categories, including public sector bodies and private individual investors may also be treated as professional clients upon their request subject to the below conditions and procedure.

“Elective Professional Client”

A client who opts to be treated as Professional Client must satisfy a minimum two of the following criteria:

- a. the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter of the previous four quarters;
- b. The size of the client's Instrument portfolio, defined as including cash deposits and Instruments exceeds EUR 500000;
- c. 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;

In order to be considered as an Elective Professional Client, an applicant must formally declare his/her eligibility by signing the HCIT1 Professional Client Declaration and Elective Professionals Mandatory Warnings forms. We reserve our right to reject any such application which we consider does not adequately satisfy the above referred to conditions and to request supporting documents and information to verify that said conditions are met.

“Eligible counterparty”

The term ‘Eligible Counterparty’ refers to Licence Holders, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies, other financial institutions authorized or regulated under EU Law or the national law of an EU Member State, undertakings which are exempt from the requirements of the MIFID in terms of Article 2(1)(k) and (l) thereof, national governments and their corresponding offices including public bodies that deal with public debt, central banks and supranational organisations.

Provided further that the Malta Financial Services Authority (our regulator) may recognise as eligible counterparties, entities within non-member States which nevertheless meet the above-mentioned categories and eligibility criteria.

Re-classification Process:

You can request re-classification by sending an email to support@NewTraderLab.com. Our Support Team will then guide you through the steps to be taken and will provide you with a full disclosure of the risks and changes associated with your re- classification.

In order to verify that you comply with the criteria for the desired category, we may request further documents and information.

Nu Bis Centre
Mosta Road, Lija
LJA9012, Malta

+356 23 27 300
info@newtraderlab.com
www.newtraderlab.com

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