



# DUALIX

## CLIENT CATEGORISATION POLICY

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**Dualix is owned and operated by Maxigrid Limited**

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Maxigrid Limited is a Cyprus Investment Firm, regulated by Cyprus Securities and Exchange Commission (CySEC)

License Number: 145/11 and Registration Number: HE 269879

Registered Office Address: 214 Arch. Makariou III, Ideal Building, Office 301, Ayia Zoni, 3030, Limassol, Cyprus

## 1. INTRODUCTION

In accordance with Applicable Regulations, including the Law 87(I)/2017 as well as the implementation of the MiFID II, the Company classifies its clients into one of the following categories: Retail, Professional (Per se Professional Client/ Elective Professional Client) or Eligible Counterparty by relying on information the Client provides during the account opening process and/or thereafter during the business relationship. The Company prior to engaging in a business relationship, notifies the potential Clients of the their classification in use by the Company, and informs them about the category in which they are initially classified by. Unless specified, all clients will be treated by the Company as Retail Clients under MiFID II.

This policy is an integral part of the Terms and Conditions. By accepting the Terms and Conditions, the Client expressly accepts the Client Categorisation Policy as well as all other binding polices listed in Company's website.

## 2. CLIENT CATEGORIES

- a. *Retail Client* is a client who is neither Professional nor Eligible Counterparty. Retail clients are afforded with the highest level of protection by the Law. All Clients are categorized as Retail Clients.
- b. *Professional Client* is a client who possesses the experience, knowledge, and expertise to make his own investment decisions and properly assess the risks that he incurs.
- c. *Eligible Counterparty* is a type of professional clients, applicable only when the service provided to such Professional Client is of receiving and transmitting and/or executing orders.

### 2.1 Professional Clients by default

Professional client is a client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that it incurs. In order to be considered a professional client by default, the client must fall into the following categories:

1. Entities which are required to be authorised or regulated to operate in the financial market, either from Member States under a European Community Directive, entities authorised or regulated by a Member State without reference to such Directive, and entities authorised or regulated by a non-Member State (i.e third country):
  - a) Investment Firms
  - b) Credit Institutions
  - c) Other authorised or regulated financial institutions
  - d) Insurance undertakings
  - 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 Firms
  - i) Other institutional investors
2. Large undertakings meeting two of the following size requirements, on a proportional basis:
- balance sheet total at least: EUR 20,000,000,
  - net turnover at least: EUR 40,000,000,
  - own funds at least: EUR 2,000,000.
3. National and regional governments and public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the International Monetary Fund (IMF), the European Central bank (ECB), the European Investment Bank (EIB) and other similar international organisations
4. Other institutional investor whose main activity is to invest in financial instruments including entities dedicated to the securitisation of assets or other financing transactions

### **3. Eligible Counterparty**

The Company, when dealing with eligible counterparties, is exempted from important obligations under conduct of business rules, best execution rules, client order handling rules. For that purpose, eligible counterparties may consider to be falling within the following categories:

- Investment firms
- Credit institutions
- Insurance companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorised or regulated under community or national law
- Commodity and commodity derivative traders (dealing on own account)
- National governments and their corresponding offices including public bodies which manage public debt at national level.
- Central Banks, the Central Bank
- Supranational organisations

## **4. PROCEDURE FOR CHANGE OF CLIENT CATEGORISATION**

### **4.1 Retail client to (Elective) Professional**

A Client who has been categorized as a Retail Client by the Company may ask the Company in writing to be treated as an Elective Professional Client and hence may lose certain protection and Investor Compensation right either generally or in respect of a particular investment service or transaction or type of transaction or product. When the Company receives such a request, the Company will assess the client's knowledge and experience.

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

- a) 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.
- b) The size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds 500,000 EUR
- 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.

The Retail client who requests to be treated as Professional client may waive the benefit of the Retail client's rules of conduct only where the below procedure is followed:

- i. The client notifies/requests the Company that wishes to apply to be treated as a Professional client either generally, or in respect of a particular service or transaction, or type of transaction or product
- 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.

### **4.2 Procedure to be followed for the recategorization as an Elective Professional:**

1. The Client shall inform the Company in writing, by sending an email to [compliance@dualix.maxigrid.com](mailto:compliance@dualix.maxigrid.com) requesting the change of Client categorization from Retail Client to Elective Professional.
2. The Company will take all reasonable steps to ensure that the Client requesting to be treated as an Elective Professional meets the relevant requirements as stated above, including requiring that the Client provides supporting documents
3. The Company will inform the Client accordingly whether the request was accepted.

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.

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.

It shall be noted that it is not possible to treat an Elective Professional Client as an Eligible Counterparty according to the applicable regulations.

#### **4.3 Change of Client Categorisation from Professional Client or Eligible Counterparty to Retail**

Clients who are classified as Professional Client by default or by their own request or Eligible Counterparties, may request to be recategorized as Retail Client and therefore receive higher level of protection. It is the responsibility of the Client, considered to be a Professional Client, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved.

#### **4.4 Change of Client Categorisation from Professional Client to Eligible Counterparty**

Clients categorized as Professional Clients who request to be categorized as Eligible Counterparties, shall meet the requirements in paragraph 3 above and the Company and the Client come to an agreement.

This higher level of protection will be provided when a Client who is considered to be a professional enters into a written agreement with the Company to the effect that it shall not be treated as a Professional for the purposes of the applicable conduct of business regime. Such agreement should specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

### **5. Protection Rights: Retail & Professional Clients (including Elective Professional Clients)**

Retail and Professional Clients where the Company treats a Client as a Retail Client, the Client is entitled to more protections under the Law, than if the Client was treated as a Professional Client. In summary, the protections Retail Clients are entitled to are as follows (the list may not be exhaustive):

- A Retail Client will be given more information disclosures with regards to the Company, its services, its financial instruments and their performance, the nature and risks of financial instruments, its costs, commissions, fees and charges and the safeguarding of Client financial instruments and Client funds, including summary details of any relevant investor compensation or deposit guarantee scheme, as applicable.
- Where the Company is providing the services of Reception & Transmission of orders and/or Execution of Client orders, the Company shall ask a Retail Client

to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded, so as to enable the Company to assess whether the investment service or product envisaged is appropriate for the Client. In case the Company considers, on the basis of the information received, that the product or service is not appropriate to a Retail Client, it shall warn the Client accordingly.

- On the other hand, the Company shall be 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. Consequently, and unlike the situation with a Retail Client, the Company should not generally need to obtain additional information from the Client for the purposes of the assessment of appropriateness for those products and services for which they have been classified as a Professional Client.
- When executing Client orders, the Company must take all sufficient steps to achieve what is called “best execution” of the Client’s orders, that is to obtain the best possible result for its Clients.
- Where there may be material difficulties in the proper execution of Retail and Elective Professional clients’ orders, the Company is under an obligation to warn the customers accordingly when such difficulty becomes known to the Company.
- The Company is obliged to enter into a written agreement with the Retail and Elective Professional clients, setting out the essential rights and obligations of both parties.
- Retail clients are entitled to and are offered ‘negative balance protection’, as defined in the User Agreement. Professional clients of the Company, despite that are not entitled to, are also offered ‘negative balance protection’.
- Retail Clients may be entitled to compensation under the Investor Compensation Fund (“ICF”) for Clients of Investment Firms, while Professional Clients are not entitled to compensation under the ICF.
- Where the Company holds a retail Client account with positions in leveraged financial instruments or contingent liability transactions, the firm must report to the Client if the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%.
  - Professional Clients are also entitled to a confirmation for the execution of their orders however there is no specific timeframe involved as to when the Professional Client will receive this information.

## **6. Protection Rights: Eligible Counterparties**

Where the Company treats the Client as an Eligible Counterparty, the Client will be entitled to fewer protections under the Law than it would be entitled to as a Retail or Professional Client. In particular the following applies to Eligible Counterparties Clients;

the list may not be exhaustive:

- The Company is not required to provide the Client with best execution in executing the Client's orders. Nevertheless, Eligible Counterparties may request on a trade by trade basis or in general, treatment that would allow the Company to take all sufficient steps to achieve best execution.
- The Company is not required to provide the Client with information about the Company's execution venues, the arrangements through which the Company will be remunerated and other relevant information.
- The Investors Compensation Fund does not cover Eligible Counterparties.
- The Company is not required to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of its Client orders, relative to other Client orders or its trading interests.
- The Company is not required to assess the appropriateness of a product or service that it provides to Client but can assume that the Client have the expertise to choose the most appropriate product or service for itself and has the ability to bear losses.

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