

Client Categorisation Policy

Company Name
TTCM Traders Trust Capital Markets Limited

Version
2024-01

Review Date
02/09/2024

1. Introduction

TTCM Traders Trust Capital Markets Limited, incorporated under the laws of Cyprus with Registration number HE 250591 (hereinafter "we", "our", "Company", "Traders Trust") is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the "CySEC") with CIF license number 107/09.

The Company is operating under the provisions of the Investment Services Law L. 87(I)/2017, as amended from time to time (hereinafter the "Law") which transposes the European 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, as amended from time to time (hereinafter the "MiFID II").

Following the above legislation, the Company is required to classify its clients into one of the following three categories: "Retail", "Professional" or "Eligible Counterparty".

To this end, the Company should evaluate any application for opening an account and classify any prospective Client under any one of the above-mentioned categories, always based on the information provided by the said Client.

2. Client Categorisation Criteria

A. Retail Clients

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

B. Professional Clients

A "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.

To be considered a professional Client, a Client must comply with one of the following criteria:

a. Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under the above Directive, entities authorised or regulated by a Member State without reference to the above Directive, and entities authorised or regulated by a non-Member State:

- 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. Commodities and commodity derivatives dealers;
- VIII. Local enterprises;
- IX. Other Institutional Investors (like Portfolio Investment Companies).

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

- I. balance sheet total: EUR 20.000.000,-
- II. net turnover: EUR 40.000.000,-
- III. own funds: EUR 2.000.000,-

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 who may be treated as professionals on request, following approval by the Company (please see below under 'Request for Different Classification').

The entities mentioned above from (2.B.a.) through (2.B.b.) are considered to be 'professional clients' in relation to all investment services and activities and financial instruments. The Clients mentioned in (2.B.c.) through (2.B.d.) may be treated as professionals generally or in respect of a particular investment service or transaction, or type of transaction or product.

Professional Clients are responsible for keeping the Company informed about any change, which could affect their categorisation. Should the Company become aware that the Client no longer fulfils the initial conditions which made him eligible for professional treatment, the Company will take appropriate action.

C. Eligible Counterparties

An "Eligible Counterparty" is any of the following entities to which an investment firm provides the services of reception and transmission of orders on behalf of Clients and/or execution of such orders and/or dealing on own account:

- I. CIFs and other investment firms;
- II. Credit institutions;
- III. Insurance undertakings;
- IV. UCITS and their management companies;
- V. Pension funds and their management companies;
- VI. Other financial institutions authorised or regulated under Union Law or under National law of a Member State;
- VII. National governments and their corresponding offices including public bodies that deal with public debt at national level, Central Bank and supranational organisations.

3. Request for Different Classification

A. Retail Clients

Any "Retail Client" has the right at any time to request in a durable medium to be re-classified and/or re-categorised and be treated as a "Professional Client", but he/she will be afforded a lower level of protection. The Company is not obliged to deal with him/her under a different classification.

In this respect, the Company is allowed to treat any of the retail Clients as professionals provided that the relevant criteria and procedures mentioned below are met. Any waiver of the protection afforded by the standard conduct of business regime will be effected 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 Client is capable of making his own investment decisions and fully understands the risks involved.

The fitness test applied to managers and directors of entities licensed in the financial sector under MiFID II could be regarded as an example of the assessment of expertise and knowledge. In the case of small entities, the person subject to the above assessment should be the person authorised to carry out transactions on behalf of the entity.

In the course of the above assessment, as a minimum, two (2) 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 Instruments portfolio, defined as including cash deposits and Financial Instruments exceeds EUR 500.000;
- c. the Client works or has worked in the financial sector for at least one (1) year in a professional position, which requires knowledge of the transactions or services envisaged.

Retail Clients may waive the benefit of the detailed rules of conduct applicable to them only where the following procedure is followed:

- a. they must request from the Company in writing that they wish 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;
- b. the Company's Retail Clients fall under the Investor Compensation Fund ("ICF"), the main objective of which, is to secure the claims of covered clients of regulated Cyprus Investment Firms ("CIFs") that are members of the Fund up to an amount determined by the relevant Law, in case where CIFs are unable to fulfil their financial obligations. Professional clients are considered as non-eligible for compensation from the ICF; You may have a look on the Investor's Compensation Fund Policy which is publicly available on our website.
- c. the Company will provide the client with a clear written warning of the protections and investor compensation rights they may lose;
- d. the client will state in writing, in a separate document from the Client Agreement, that they are aware of the consequences of losing such protections and accept them;
- e. before deciding to accept any request for waiver, the Company is required to take all reasonable steps to ensure that the Client requesting to be treated as a 'Professional Client' meets the relevant tests and criteria above.

B. Professional Clients

A "Professional Client" has the right to request for a different classification as a "Retail Client" in order to obtain a higher level of protection.

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

C. Eligible Counterparties

An "Eligible Counterparty" has the right to request a different classification either as a 'Professional Client' or as a 'Retail Client' in order to obtain a higher level of protection. According to the Investment Services and Activities and Regulated Markets Law, the Company is not obliged to deal with the Client on this basis.

Should you have a question about this Client Categorization Policy, please direct your questions to our Support Department support@ttcm.eu.