
Client Categorisation Policy

Skilling Limited

May 2023

1. Introduction

- 1.1. Skilling Limited (“we”, “us”, or “our”) is a private limited liability company incorporated under the Cyprus registration number HE373524 and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”), under licence number 357/18, with its registered office at 62 Athalassas Avenue, 2nd Floor, Office 22, 2012 Nicosia, Cyprus. For the purposes of these Terms references to “you”, “your”, or “client” refer to you, unless otherwise stated.
- 1.2. This Policy is issued pursuant to, and in compliance with the requirements of EU Directive 2014/65/EU on Markets in Financial Instruments (“MiFID II”), EU Regulations on Markets in Financial Instruments (“MiFIR II”) and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus Law that transposed MiFID II into Cyprus legislation.
- 1.3. For client protection and satisfaction, you should take time to carefully read this Agreement as well as any other policies, additional documents and information available to you through our website prior to opening a trading account with us. By default, you must read, agree and accept all the General terms and conditions set out below, and any additional documents incorporated herein by reference before you establish a Business relationship with us (without modifications).
- 1.4. If you have objections to any of these general terms and conditions, or any part thereof, and/or if you do not agree to be bound by these general terms and conditions, or any part thereof, do not access and/or use our online trading facility in any way and inform us in writing immediately.
- 1.5. By accepting this Agreement, you agree to be bound by these terms and conditions and our Terms of Business (including any schedules, annexes, exhibits, amendments and/or side agreements, if any) that apply to your account and are always subject to any applicable laws. In the event of any conflicts or inconsistency between our Terms of Business and this Agreement, our Terms of Business shall prevail.
- 1.6. The Company currently treats by default all clients as Retail clients as notified in the Client Agreement and provided the provisions of the applicable Regulation are fulfilled. Any client can explicitly request to be re-classified as an Elective Professional client if all the set criteria in section 3.2. are met.

2. Clients Categorisation

- 2.1. **Retail client** is a client who is not a Professional client or an Eligible counterparty. Retail clients are entitled to the maximum level of protection. Currently all the clients are treated as Retail except is differently requested (see paragraph 1.3. above).
- 2.2. **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 (see section 3 below).
- 2.3. **Eligible Counterparty** is usually is a financial institution in the regulated securities, banking and insurance sectors including:
 - Investment firms
 - Insurance companies
 - Credit institutions
 - National governments and their corresponding offices including public bodies which manage public debts
 - Central Banks
 - Pension funds and their management companies
 - Supranational organisations
 - Other financial institutions authorised or regulated under community or national law
 - UCITS and their management companies

- Third country entities equivalent to the categories mentioned above

2.4. The Company does not classify any clients as Eligible counterparties. If, in the future, we were to treat any clients as an Eligible counterparty an agreement would be provided.

3. Professional clients

3.1. Per Se Professional clients

Per se Professional clients include any of the following:

- 3.1.1. Entities which are required to be authorised or regulated to operate in the financial markets including:
- Credit institutions
 - Investment firms (IFs)
 - Insurance undertakings
 - Collective investment schemes and management companies of such schemes
 - Other authorised or regulated financial institutions
 - Pension funds and management companies of such funds
 - Commodity and commodity derivatives dealers
 - Locals
 - Other institutional investors
- 3.1.2. Large undertakings meeting **any two (2)** of the following size requirements, on a company basis:
- Total balance sheet: EUR 20,000,000
 - Net turnover at least: EUR 40,000,000
 - Own funds at least: EUR 2,000,000
- 3.1.3. National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions (such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and others).
- 3.1.4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.
- 3.1.5. Any clients who are Professionals per se in their own right must meet the applicable standards before we may classify them as such. However, the Company reserves the right to treat clients who meet the aforementioned qualifications as Professionals in their own right if the circumstances warrant it.
- 3.1.6. Professionals per se requests must be submitted through a standalone application form, and agreement. More information is available on the **website**.

3.2. Elective' Professional clients

Clients who have been initially classified by the Company as Retail clients are allowed to request to be treated as Professional clients provided that at least two of the following criteria are satisfied:

- 3.2.1. The client has carried out transactions in the Forex/CFD or leveraged products, in significant size, at an average frequency of 10 per quarter over the previous four quarters.

- 3.2.2. The size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500.000.
- 3.2.3. The client works or has worked in the financial sector for at least one year in a Professional position, which requires knowledge of derivatives trading, proven with the submission of a recent reference letter or other qualification pertaining to such knowledge.

4. Request for reclassification

If any Retail client wishes to be treated as an Elective Professional client instead of Retail, the following must be followed:

- 4.1. The client must state it in writing to the Company that they wish to be treated as a Professional client either generally or in respect of a particular service or transaction or type of transaction or product.
- 4.2. Upon the client's request, our Customer support team will contact the client and provide them with the Application form which shall be completed and signed and returned along with the relevant supporting documents in both electronic and/or hard copy(s) in order for us to assess the client's request.
- 4.3. The Management body and the compliance officer will assess the Application Request Form and take appropriate measures to categorise the client as Professional (from Retail client). We may obtain additional documentation in order to complete the assessment.
- 4.4. The Company must inform it prior to any provision of services that, on the basis of the information available to the Company, the client is deemed to be a Professional client, and will be treated as such unless the Company and the client agree otherwise. The Company must also inform the customer that he can request a variation of the terms of the agreement in order to secure a higher degree of protection.
- 4.5. A Professional client is allowed to request non-Professional treatment and the Company may agree to provide a higher level of protection.
- 4.6. It is the responsibility of the client, considered to be a Professional client, to ask for a higher level of protection when it deems he is unable to properly assess or manage the risks involved.
- 4.7. 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 cease being treated as a Professional. Such agreement should specify whether this applies to one or more particular services or transactions, or to one or more types of product or transactions.
- 4.8. In the event the client wishes to change classification, the Company will obtain a written consent by requesting the client to complete and submit a Request Form that is provided to the client upon submission of application to us.
- 4.9. The Company implements appropriate written internal policies and procedures to categorise clients. Professional clients have the responsibility to inform us regarding any change, which would affect their current categorisation. Should we become aware that the Professional client no longer fulfils the initial conditions, which made the client eligible for such treatment, the Company will take appropriate action.

5. Protection rights

- 5.1. Where clients are treated by the Company as Retail clients, they will be entitled to more protections under the Law than if the clients were entitled to be Professional clients. Those protection rights include but are not limited to the following:
 - 5.1.1. Under the Law, we are entitled to ask clients to provide information regarding their knowledge and experience in the investment field in order to enable the Company to assess whether the investment service or product envisaged is appropriate for the clients. A warning will be given to the Retail client for which the product or services will be considered as not appropriate, based on the provided information. Such notice will not be given to Professional clients as they deemed to have the necessary experience and knowledge in order to understand the risks involved
 - 5.1.2. Where the Company executes an order on behalf of a retail client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the cost related to execution. When providing Professional clients with best execution the Company is not required to prioritise the overall cost of the transaction as being the most important factor in achieving best execution for them.
 - 5.1.3. The Company is entitled to provide Retail clients with more information than Professionals regarding the execution of their orders.
 - 5.1.4. The Company must not enter into title transfer financial collateral arrangements in respect of money belonging to a Retail client. This requirement does not apply in relation to Professional clients.
 - 5.1.5. Retail clients may be entitled to initial margin protection, negative balance protection, protection arising from marketing, leverage limits on trading CFDs, which may not be applicable to a Professional client.
 - 5.1.6. Retail clients may be entitled to compensation under the Investor Compensation Fund while Professional clients are not entitled to such protection.
 - 5.1.7. The Company must not enter into title transfer financial collateral arrangements in respect of money belonging to a Retail client. This requirement does not apply in relation to Professional clients.
 - 5.1.8. Before proceeding with treating any clients as Professionals, the Company shall first receive a written acknowledgment from the client, stating that they agree to waive all the rights they could have as Retail clients and that they understand the consequences of such waiver.
 - 5.1.9. For a detailed description of regulatory protections afforded to Retail clients in comparison with Professional clients and for the existing waiver of those protections, please refer to the Professional client application form which may be provided upon your request from our support team.

6. Monitoring and Review

- 6.1. The Company shall monitor on a regular basis the effectiveness of the internal policy and procedures related to client categorisation and, where appropriate, correct any deficiencies.
- 6.2. The Company's Policy is assessed and periodically reviewed, at least on an annual basis, or more frequently, should the need arise and any amendments to which may materially affect the way in which the Company would handle client categorisation.
- 6.3. Any amendments shall be approved by the Company's Board of Directors and the client shall be notified in writing of the nature of the changes deemed appropriate by law, and the revised Policy which will be available on the Company's Website.

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