

# BLACKWELL GLOBAL INVESTMENTS (UK) LIMITED

## Client Categorisation

## Introduction

Blackwell Global Investments (UK) Limited (Hereafter Blackwell Global) is a limited liability company registered in England and Wales with its registered office at 107 Cheapside, London EC2V 6DN. Company Number 0924117. Blackwell Global Investments (UK) Limited is authorised and regulated by the Financial Conduct Authority. Financial Services Register Number 687576

Blackwell Global is prohibited under its FCA permissions from providing you with investment advice relating to investments or possible transactions in investments or from making investment recommendations of any kind.

Following the implementation of the MIFID II, the company is required to classify all its clients into one of the following categories: “retail”, “professional” or “eligible counterparty”.

## Client Classification Categories

1. **Retail client** is a Client who is not a professional Client by default or an eligible counterparty.
2. **Professional Client** is a client who possesses the experience, knowledge and expertise to make his own investment decision and properly assesses the risk that he incurs. In order to be considered a professional Client, the Client must comply with the following criteria:

### 2.1 Clients who are considered to be professionals by default:

- 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 entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member state without reference to a Directive, and entities authorised or regulated by a non-Member State:
  - Credit institutes
  - Investment firms
  - Insurance companies
  - Pension funds and management companies such funds
  - Collective investment scheme and management companies such schemes
  - Other authorised and regulated financial institutions
  - Commodity and commodity derivatives dealers
  - Locals
  - Other institutional investors (like portfolio investment companies)
- b. Large undertaking meeting two of the following size requirements on a company 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
- c. National and regional governments, including public bodies that manage public debt at national or regional level, Central banks, international and supernatural institutes 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.
- d. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financial transactions.

## 2.2 Client who may be treated as professionals on request

- a. Retail client such as public sectors bodies, local public authorities, municipalities and private individual investors may be treated as “professional clients” on request, following approval by the company (Please see further below under ‘Request for different classification’).

In case of being treated as Professional clients, clients mentioned above are responsible for keeping Blackwell Global informed about any change, which could affect their categorisation. The client should the Company become aware that he no longer fulfils the initial conditions which made him eligible for professional treatment, the Company will take appropriate action.

3. **Eligible Counterparty** are entities to which investment firms provide investment services and activities such as reception and transmission of client orders or/and execution of such orders on behalf of Clients. Being the following entities:

- Credit institutes
- Investment firms
- Insurance companies
- Pension funds and management companies such funds
- Collective investment scheme and management companies such schemes
- Other authorised and regulated financial institutions
- Commodity and commodity derivatives dealers
- Locals
- Other institutional investors (like portfolio investment companies)

The Company recognises eligible counterparties to be professional categorised by default (paragraph 2.1), they are however allowed to request non-professional treatment and the Company might agree to provide a higher level of protection (Please see further below under ‘Request for different Classification’)

## Request for Reclassification

A retail client has the right to request to be reclassified as a “professional client” and, in which case, he might have a lower level of protection. An adequate assessment of the expertise, experience and knowledge of the risks involved in the nature of the transactions or services offered by Blackwell Global. Professional clients are also considered to be capable of making their own investment decisions.

## Identification and criteria

The company is allowed to treat any retail client such as public sectors bodies, local public authorities, municipalities and private individual investors as “professional clients”, provided the relevant criteria and procedure mentioned bellow are fulfilled. These clients shall not, however, be presumed to possess market knowledge and experience comparable to clients listed 2.1 and 3 above.

## Fitness test

The ‘fitness test’ applied to managers and directors of entities licensed under the Directive of the European Union in the financial services field 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 off 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 portfolio of financial instruments, defined as including cash deposits and financial instruments exceeds EUR 500,000;
- c. the client works or has worked in the financial services sector for at least one year in a professional position, which requires knowledge of the transactions and services envisaged.

## Reclassification Procedure

The company shall follow the procedure below when a client request to be classified into a different classification category:

### **1. Reclassification of a retail client into professional client**

The retail client may waive the benefit of the detailed rules of conduct and be reclassified as "professional client" only when the following procedure is followed:

- a. they must state in writing to the company that they wish to be treated as professional client. Either generally, or in respect of a particular investment services or transaction or type of transaction or product;
- b. the Company will give them a clear written warning of protections and investors compensations rights they may lose;
- c. they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections and accept them;
- d. Before deciding to accept any request of waiver, the Company is required to take all reasonable steps to ensure that the requesting to be treated as a professional client meets the relevant tests and criteria of the selection "Fitness test" above.

The company has the right to decline any of the above client's request for different classification.

### **2. Reclassification of a professional client into retail client**

A professional client has the right to request to be classified as a "retail client" in order to obtain a higher level of protection.

It is 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 risk involved. The higher level of protection will be provided in 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 professional for the purposes of the applicable conduct of business regimen. The client may request a variation of the terms of agreement in Order to secure a higher degree of protection, in addition to specify whether this applies to one or more particular services or transactions, or one or more type of transactions.

### **3. Reclassification of an Eligible Counterparty into retail client**

Entities considered to be professional by default are allowed to request non-professional treatment and the company might agree to provide higher level of protection by a formal written agreement, otherwise will remain categorised as professional. Under the law it is under the companies' discretion to deal with the client's request.

## Protection Rights

### Retail Client

Where the company treats a Client as retail client, the client will be entitled to more protections under the law, than if the client is treated as professional client. In summary, the protections Retail Clients are as the follow (the list might not be exhaustive):

- a. 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 risk of the financial instruments, its costs, commissions, fees and charges and the safeguard of the clients' funds.
- b. The Company is required to provide Retail clients with more information than Professional Clients as regards the execution of their orders.
- c. Retail clients might be entitled to compensation under the financial services Compensation Scheme FSCS, while professional clients are not entitle to compensation under the FSCS.

### Eligible Counterparties

Where the company treats a Client as an Eligible Counterparty, the client will be entitled to fewer protections under the law, than if the client is treated as retail or professional client. In particular and in addition to the listed in Retail Client protection rights (the list might not be exhaustive):

- a. The Company is not required to provide the best execution in executing the Client's Orders.
- b. The company is required to implement procedures and arrangements which prompt, fair and expeditious execution of its Clients Orders or its trading interest.
- c. The company is not requires 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.

## General information

- a. The above information is based on the framework given by the Financial Conduct Authority (FCA) under which Blackwell Global operates, for more information visit <https://www.fca.org.uk/>