



STAK
SECURITIES



Client Categorisation Policy

STAK SECURITIES LTD (formerly Stak FX Ltd)

1. INTRODUCTION

Following the implementation of the Markets in Financial Instruments Directive 2014/65/EU ("MIFID II") and in accordance to the provisions of the Law, Stak Securities Ltd (formerly Stak FX Ltd) (the "Company"), a company incorporated and existing under the laws of the Republic of Cyprus, with identification number HE 396475, with seat and registered address at: Ifigeneias 70, Flat/Office 101, Strovolos 2003, Nicosia, Cyprus (the "Company") is required to categorise clients (the "Clients") as either:

- (a) Retail;
- (b) Professional, or
- (c) Eligible Counterparties.

2. CATEGORISATION CRITERIA

The categorisation criteria set by the relevant legislation are the following:

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

'Professional Client' is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that they will incur. Such clients must fall into one of the following categories:

- 1) Entities which are required to be authorized or regulated to operate in the financial markets (including entities authorized by a Member of State under a Directive, entities authorized or regulated by a Member of State without reference to a Directive and entities authorized or regulated by a non-Member State), such as:
 - a) Credit Institutions;
 - b) Investment Firms;
 - c) Other authorized or regulated financial institutions;
 - d) Insurance companies;
 - 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) Locals;
 - i) Other institutional investors.
- 2) Large undertakings which satisfy at least two of the following size requirements on a company basis:
 - a) Balance sheet total at least Euro 20.000.000
 - b) Net turnover at least Euro 40.000.000
 - c) Own funds at least Euro 2.000.000

- 3) National and Regional Governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.
- 4) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions.

'Eligible Counterparty' are any of the following entities to which a credit institution or an investment firm provides the services of reception and transmission of orders on behalf of clients and/or execution of orders and/or dealing on own account: CIFs, other IFs, credit institutions, insurance undertakings, UCITS and their management companies, pension funds and their management companies and other financial institutions authorized or regulated under European law or under the national law of a Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organizations.

3. REQUEST FOR CHANGE OF CATEGORISATION

Retail Clients can request to be categorised and treated as **Professional Clients** in which case they will be afforded a lower level of protection.

Professional Clients can request to be categorised and treated as Retail Clients in which case they will be afforded a higher level of protection.

Eligible Counterparties can request to be categorised and treated as either Retail or Professional Clients in which case they will be afforded a higher level of protection.

It is noted that the Company will assess specified quantitative and qualitative criteria in accordance with the provisions of the Law and the change of categorisation will depend on its absolute discretion.

4. PROCEDURE FOR CHANGE OF CATEGORISATION

4.1. **Retail Clients** may request to be treated as **Professional Clients** provided that at least two of the following criteria are 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;
- 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.

4.2. **Retail Clients** who wish to be treated as **Professional Clients** may be considered only where the following procedure is followed:

- a) they must state in writing to the Company 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 must give them a clear written warning of the protections and investor compensation 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 the protections afforded to Retail Clients

4.3. Before deciding to accept any request for waiver, the Company must take all reasonable steps to ensure that the client requesting to be treated as a **Professional Client** meets the relevant requirements stated above.

5. INFORMATION ON LEVEL OF PROTECTION

5.1. The additional protection afforded to a Retail Client compared to a Professional Client or an Eligible Counterparty includes without limitation the following:

- a) Retail Clients are provided with more information regarding the Company's fees, charges and expenses;
- b) Retail Clients provide more information regarding their knowledge and experience in the Investment field so as to enable the Company to assess whether the investment service or product envisaged is appropriate for the Client;
- c) The Company must take all reasonable steps to ensure that a Retail Client's order is executed as such in order to obtain best possible results;
- d) A Retail Client will receive information regarding his/her executed order timely and with more detail as to the content;
- e) A Retail Client who is provided the service of Portfolio Management will receive more detailed and frequent information;
- f) A Retail Client will be informed of the Company's liability in relation to possible solvency of the custodian where Clients' financial instruments are held;
- g) A Retail Client will be informed of the Company's Conflict of Interest Policy;
- h) A Retail Client will be informed of the Company's complaint handling procedures; and
- i) A Retail Client may be eligible for possible compensation under the Investor's Compensation Fund.



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