



MiFID Client Categorization Policy

Version 1.0

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1. Introduction

Hoxton Capital Management (Europe) Ltd (hereinafter the 'Company') categorizes any natural or legal person to whom it provides or intends to provide an investment service under MiFID II into the following categories: Retail Clients, Professional Clients, and Eligible Counterparties. The Client categorization determines the level of protection the Client is entitled to receive when the Company is providing Investment Services.

2. Legal Framework

This policy is established in accordance with:

- The Markets in Financial Instruments Directive (MiFID II) 2014/65/EU
- The Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017)
- CySEC Directives and Regulations

3. Client Categories

Under MiFID II, clients are categorized into three distinct categories:

- Retail Clients
- Professional Clients
 - Elective Professional Clients
 - Per-Se Professional Clients
- Eligible Counterparties

Retail Clients

A 'Retail Client' is a client who is not a professional client or an Eligible Counterparty. Retail clients receive the highest level of investor protection.

Elective Professional Clients

Elective Professional Clients are retail clients who electively request to be treated as professional clients. The Company may treat these clients as professional provided that the relevant criteria and procedures are fulfilled.

Per-Se Professional Clients

Professional clients are clients who possess the experience, knowledge, and expertise to make their own investment decisions and to assess the risks involved.

Eligible Counterparties

Eligible Counterparties are entities that are considered able to act on their own and include regulated financial institutions, investment firms, insurance companies, collective investment schemes, pension funds, and other regulated entities. They receive the lowest level of protection compared to retail and professional clients.

4. Criteria for Client Categorization

4.1 Retail Clients

Retail clients are individuals or entities that do not meet the criteria for professional clients or eligible counterparties.

4.2 Elective Professional Clients

Retail clients may request to be treated as professional clients if they meet at least two of the following criteria:

- 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.
- The size of the client's financial instrument portfolio, including cash deposits and financial instruments, exceeds EUR 500,000.
- The client works or has worked in the financial sector for at least one year in a professional position that requires knowledge of the transactions or services envisaged.

4.3 Per-Se Professional Clients

Entities required to be authorized or regulated to operate in the financial markets, such as:

- Credit institutions
- Investment firms
- Other authorized or regulated financial institutions
- Insurance companies
- Collective investment schemes and management companies
- Pension funds and management companies
- Commodity and commodity derivatives dealers
- Other institutional investors

Large undertakings meeting two of the following size requirements:

- Balance sheet total of at least EUR 20 million
- Net turnover of at least EUR 40 million
- Own funds of at least EUR 2 million

National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions.

4.4 Eligible Counterparties

Entities classified as eligible counterparties include:

- Investment firms
- Credit institutions
- Insurance companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorized and regulated under EU legislation or national law of a member state
- Undertakings exempted from the application of MiFID under article 2(1)(k) or (l)
- National governments and their corresponding offices, including public bodies that deal with public debt
- Central and supranational institutions

5. Procedures for Client Categorization

1. Information Gathering: Collect relevant information from clients to determine their categorization.
2. Assessment: Evaluate the information against the criteria for each category.
3. Documentation: Document the categorization decision and the information used to support it.
4. Approval: Obtain approval from the appropriate internal authority for the categorization decision.

6. Request for Different Categorization

Clients are allowed to request to be categorized into a different client category in respect of a particular Investment Service, transaction, or type of transaction or product, provided that they fulfil certain criteria.

Requests must be made in writing and will be subject to an assessment to determine whether the requested categorization is appropriate.

Opting up from Retail Client to Professional Client (Elective Professional Client)

A retail client who wishes to be treated as a professional client needs to provide relevant evidence showing that two out of the three following criteria are satisfied:

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

Opting up from Per-Se Professional Client to Eligible Counterparty

Clients who are initially categorized as per-se professional clients can request to be categorized as eligible counterparties.

Opting down from Eligible Counterparty to Professional Client or Retail Client, OR from Professional Client to Retail Client

Clients who consider that they are unable to assess or manage the risks involved properly may request to opt down from their current category to receive a higher degree of protection.

7. Assessment and Approval Process

1. Client Request: Client submits a written request for a different categorization.
2. Review: The request is reviewed against the criteria for the desired categorization.
3. Approval: The decision is approved by the appropriate internal authority.
4. Communication: The client is informed of the decision in writing.

8. Communication of Categorization

Clients will be informed of their categorization in writing. The communication will include:

- The category assigned
- The level of protection afforded
- The implications of the categorization on the services provided

9. Rights and Protections

Different levels of protection apply to each client category:

- Retail Clients: Highest level of protection, including comprehensive disclosure requirements and suitability assessments.
- Professional Clients: Lower level of protection than retail clients, with certain disclosures and assessments waived.
- Eligible Counterparties: Lowest level of protection, with many regulatory requirements not applying.

10. Record Keeping

The Company will maintain records of all client categorizations, including the information used to support the categorization and any requests for re-categorization. Records will be kept in accordance with regulatory requirements.

11. Review and Re-assessment

Client categorizations will be reviewed periodically to ensure they remain appropriate. Clients may also request a reassessment of their categorization at any time.

12. Contact Information

For more information or to request a re-categorization, clients can contact:

Client Services Department

Hoxton Capital Management (Europe) Ltd
Mesogiou 15, First Floor, Voroklini, Larnaca, 7041, Cyprus

Phone: +357 24332522

13. Conclusion

This MiFID Client Categorization Policy ensures that clients are categorized appropriately, providing them with the right level of protection and services. Understanding the criteria, procedures, and implications of each categorization is essential for both clients and the Company.