



Client Categorization Policy

V.1 – March 2023

M4Markets is a trade name of Oryx Finance Ltd. Oryx Finance Ltd is licensed by the Dubai Financial Services Authority (DFSA) under license number F007051 and holds a Category 3A License thus authorized to deal in investments as a matched principal and arrange deals in investments.

CLIENT CATEGORISATION POLICY

A. Introduction

Oryx Finance Limited (hereinafter "M4Markets", the "Company", "us", "we", "our") is required to classify each Client (hereinafter "the Client", "you", "your", and "yourself"), in accordance with the applicable legislation, as a "Retail Client", "Professional Client" or "Market Counterparty". A Client may be classified as a Professional Client in relation to one financial service or financial product, but a Retail Client in relation to another. Similarly, a Client classified as a Professional Client may be classified as a Market Counterparty in relation to some financial services or financial products but not others.

The Company is authorised to provide its products to 'Retail', 'Professional' Clients' as well as 'Market Counterparties'. The Company will automatically categorize all Clients as 'Retail Clients' (as defined by the applicable legislation) unless they request for a different categorization (e.g., Professional Clients), provided they meet the eligibility criteria. Should you request to change your categorization, we will review and assess the information provided to us and determine whether you are eligible for re-categorization, according to the applicable legislation. During such assessment, we reserve the right to request additional information and/or documentation from you.

If you fulfil the relevant criteria and request to be re-categorized, then you should contact the Company in writing with your re-categorization request; thereafter, the Company will review your request and respond appropriately.

The Company reserves the right to review your categorization from time to time and

re-categorise you to a different category, where it feels necessary.

For any capitalised term, which has not been defined in the Notice, please refer to Schedule A ('Glossary') of the 'Client Agreement' or in the DFSA Rulebook (Code of Business Module 'COB').

B. Client Classification Categories

There are three categories of Clients:

- a) a Retail Client;
- b) a Professional Client; or
- c) a Market Counterparty.

1. **"Retail Client"** A Person who cannot be classified as a Professional Client or Market Counterparty in accordance with the applicable rules and regulations.

If the Company chooses to provide financial services or products to a Person as a Retail Client, it may do so by simply classifying that Person as a Retail Client without having to follow any further procedures as required for classifying Persons as Professional Clients or Market Counterparties.

2. **"Professional Client"** is a Client who meets the requirements to be:
 - a) a "deemed" Professional Client; or
 - b) a "service-based" Professional Client; or
 - c) an "assessed" Professional Clientand has not opted-in to be classified as a Retail Client.

2.1 A “**deemed**” Professional Client is a Client who is:

- a) a supranational organization whose members are either countries, central banks or national monetary authorities;
- b) a properly constituted government, government agency, central bank or other national monetary authority of any country or jurisdiction;
- c) a public authority or state investment body;
- d) an Authorised Market Institution, Regulated Exchange or regulated clearing house;
- e) an Authorised Company, a Regulated Financial Institution or the management company of a regulated pension fund;
- f) a Collective Investment Fund or a regulated pension fund;
- g) a Large Undertaking as specified below;
- h) a Body Corporate whose shares are listed or admitted to trading on any exchange of an IOSCO member country;
- i) any other institutional investor whose main activity is to invest in financial instruments, including an entity dedicated to the securitisation of assets or other financial transactions;
- j) a trustee of a trust which has, or had during the previous 12 months, assets of at least \$10 million; or
- k) a holder of a licence under the Single-Family Office Regulations with respect to its activities carried on exclusively for the purposes of, and only in so far as it is, carrying out its duties as a Single Family Office.

A Person is a Large Undertaking if it met, as at the date of its most recent financial statements, at least two of the following requirements:

- a) it has a balance sheet total of at least \$20 million;
- b) it has a net annual turnover of at least \$40 million; or
- c) it has own funds or called up capital of at least \$2 million.

Note:

- 'balance sheet total' means the aggregate of the amounts shown as assets in the balancesheet before deducting both current and long-term liabilities;
- 'own funds' mean cash and investments as shown in the balance sheet; and
- 'called up capital' means all the amounts paid-up on allotted shares, less any amounts owing on allotted shares.

2.2 A Client is a "**serviced-based**" Professional Client if:

- a) the Financial Service provided to that Person is Providing Credit;
- b) the Person is an Undertaking; and
- c) the Credit Facility in question is provided for use in the business activities of:
 - i. the Person;
 - ii. a controller of the Person;
 - iii. any member of the Group to which the Person belongs; or
 - iv. a joint venture of a Person referred to in (i) – (iii).

A controller is an individual who:

- a) owns a majority of the shares of the Undertaking;
- b) is able to appoint or remove a majority of the board members of the Undertaking; or
- c) controls a majority of the voting rights of the Undertaking (or that of a Holding Company of the Undertaking).

2.3 **"Assessed"** Professional Clients:

Individuals:

An individual is an "assessed" Professional Client if:

- a) The individual has net assets of at least \$1 million, excluding the value of Client's primary residence; and
- b) either:
 - i. the individual is, or has been, in the previous two years, an employee in a relevant professional position of an Authorised Company or a Regulated Financial Institution; or
 - ii. the individual appears, on reasonable grounds, to have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks.

Undertakings:

An Undertaking is an "assessed" Professional Client if it:

- a) has own funds or called up capital of at least \$1 million; and
- b) appears, on reasonable grounds, to have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks.

The Company may also classify an Undertaking as a Professional Client if the Undertaking has:

- a) a controller;
- b) a Holding Company;
- c) a Subsidiary; or
- d) a joint venture partner,

who meets the requirements to be classified as an "assessed" or "deemed" Professional Client as applicable.

Note:

- “own funds” and “called up” capital have the same meaning as above;
- “controller” means an individual who meets the criteria stated above;
- to classify a Client as an “assessed” Professional Client we would request objective and independent evidence prior to such classification.

3. “Market Counterparties”

The Company may classify a Client as a Market Counterparty if:

- a) that Client is:
 - i. a “deemed” Professional Client, as described above;
 - ii. an “assessed” Professional Client, as described above, which is wholly owned by a Holding Company that is a “deemed” Professional Client; or
 - iii. a “deemed” Market Counterparty; and
- b) in the case of Clients referred to in (a)(i) and (ii) above, that:
 - i. the Client has been given a prior written notification of the classification as a Market Counterparty; and
 - ii. that Client has not requested to be classified otherwise within the period specified in the notice.

When transacting with a Market Counterparty it means that only a limited number of requirements in the relevant rulebook apply to such Clients, since they are transacting on an equal footing with the Company.

4. The Company implements the necessary written internal policies and procedures for Clients’ categorisation. Clients are responsible to inform the Company about any change which could affect their current categorisation. Should the Company become aware that the Client no longer fulfils the initial

criteria which made the Client eligible for being classified as a Professional Client the Company may take the appropriate course of action.

C. Re-Classification Procedures

1. In accordance with this Policy and applicable legislation, the following requests may be submitted to the Company:
 - a) A Retail Client requesting to be classified as a Professional Client:
 - i. 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;
 - ii. the Company will give them a clear written warning of the protections they may lose;
 - iii. 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; and
 - iv. 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 criteria of an "assessed" Professional Client as set-out above.

Any waiver of the protections afforded by the standard conduct of business regime will be effected only if an adequate assessment of the expertise, experience and knowledge of such Client is undertaken by the Company and gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making his/her own investment decisions and understanding the risks involved.

b) A Professional Client requesting to be classified as a Retail Client:

The Company, when first establishing a relationship with a Client classified as a Professional Client, shall inform such Client in writing of:

- i. that Client's right to be classified as a Retail Client;
- ii. the higher level of protection available to Retail Clients;
- iii. the time within which the Client may elect to be classified as a Retail Client.

If the Client does not expressly elect to be classified as a Retail Client within the time specified by the Company, the Company may classify that Client as a Professional Client.

If a Client already classified as a Professional Client by the Company expressly requests the Company to be re-classified as a Retail Client, the Company must re-classify such a Client as a Retail Client.

The Company at its sole discretion, reserves the right to decline any of the above requests for different categorisation.

Professional Clients are responsible in ensuring they keep us informed about any changes that could impact their current classification. In the event, the Company was to become aware that a Professional Client no longer fulfils the conditions which made him/her eligible to be classified as a Professional Client, then we may be required to take any appropriate action.

Assessment of net assets:

The Company, when calculating net assets of an individual for the purposes of the requirement in (a):

- i. must exclude the value of the primary residence of that Client; and

- ii. may include any assets held directly or indirectly by that Client.

Assessment of knowledge and experience:

For the purposes of the analysis required for the purposes of the requirement regarding the experience and understanding of the individual and Undertaking, the Company must include, where applicable, consideration of the following matters:

- a) the Client's knowledge and understanding of the relevant financial markets, types of financial products or arrangements and the risks involved either generally or in relation to a proposed Transaction;
- b) the length of time the Client has participated in relevant financial markets, the frequency of dealings and the extent to which the Client has relied on professional financial advice;
- c) the size and nature of transactions that have been undertaken by, or on behalf of, the Client in relevant financial markets;
- d) the Client's relevant qualifications relating to financial markets;
- e) the composition and size of the Client's existing financial investment portfolio;
- f) in the case of credit or insurance transactions, relevant experience in relation to similar transactions to be able to understand the risks associated with such transactions; and
- g) any other matters which the Company considers relevant.

Where the analysis is being carried out in respect of an Undertaking, the analysis must be applied, as appropriate, to those individuals who are authorised to undertake transactions on behalf of the Undertaking.

Reliance on a classification made elsewhere:

The Company may rely on a Client's classification made by any other member of its group, if it has reasonable grounds to believe that such a Client classification is substantially similar to the Client Classification required under this chapter. If any

gaps are identified between the requirements applicable to the Company and the requirements under which the Client Classification is carried out by such other member of the group, the Company may only rely on such a Client Classification if it has effectively addressed the identified gaps.

The Company reserves the right to decline any of the above requests for different classification.

D. Protection Rights

1. Clients who are classified as Retail Clients are afforded more protections under the applicable rules and legislation than those classified as Professional Clients. In summary:
 - a) Under the DFSA rules, the Company shall ask a Retail Client to provide information in relation to their knowledge and experience in the investment field, relevant to the specific type of product or service offered or demanded, to enable the Company to assess whether the investment service or product envisaged is appropriate for the Client. In case the Company considers, based on the information received, that the service or product is not appropriate for the said Retail Client, it shall warn the Client accordingly. The Company, however, is not required to assess appropriateness, in certain cases specified by the applicable rules and legislation.
 - b) The Company is entitled to assume that a Professional Client has the necessary experience and knowledge to understand the risks involved in relation to those particular investment services, products or transactions, or types of transactions or products, for which the Client has been classified as a Professional Client.

2. Where the Company treats the Client as a Market Counterparty, the Client will be entitled to fewer protections under the DFSA rules and other applicable legislation than the Client would be entitled to as a Professional or Retail Client. The Company, prior to classifying the Client as a Market Counterparty, will give such Client a written notification of the classification and ensure that the Client did not request to be classified otherwise.
3. It is the responsibility of the Professional Client to keep the Company informed of any changes that could affect his/her current classification. Should we become aware that a Professional Client no longer fulfils the criteria which made him/her eligible for being classified as a Professional Client the Company may take the appropriate course of action.

E. Record Keeping

1. The Company shall keep records of:
 - a) the procedures which it has followed under the Rules in this chapter, including any documents which evidence the Client's classification; and
 - b) any notice sent to the Client under the Rules in this chapter and evidence of dispatch.
2. The Company shall keep the said records for at least six years from the date on which the business relationship with the Client has ended.

The Company may, if the date on which the business relationship with the Client ended is unclear, treat the date of the completion of the last transaction with the Client as the date on which the business relationship ended.
3. The Company shall ensure that the DFSA has unrestricted access to all the

records required for the Company to be able to demonstrate to the DFSA its compliance with the applicable requirements.



E: support@m4markets.ae

M4Markets is a trade name of Oryx Finance Ltd. Oryx Finance Ltd is licensed by the Dubai Financial Services Authority (DFSA) under license number F007051 and holds a Category 3A License thus authorized to deal in investments as a matched principal and arrange deals in investments.