



OVAL MONEY (EUROPE) LTD

Client Categorisation Policy

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Client Categorisation Policy



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1. INTRODUCTION

Oval Money (Europe) Ltd (the “Company”, “we”) is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration no. HE114460, authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under the license no. 096/08 and having its registered office at 5 Spartharikou, KSA Building, 1st Floor, Mesa Geitonia, Limassol 4004, Cyprus. Oval and OvalX are the trading names of Oval Money (Europe) Ltd.

2. CLIENT CATEGORISATION

A fundamental part of MIFID II Directive EU 2014/65 EU is the requirement to categorise clients, prior to doing any business with them in one of the following categories;

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

3. DEFINING THE CATEGORIES OF CLIENTS

Retail Client: Client that is not Professional or Eligible Counterparty. Retail client will receive the greatest possible protection for investors.

Professional Client: 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. In order to be considered a professional client, the client must comply with the following criteria:

- 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 the entities mentioned: entities authorised by a Member State under a European Community Directive, entities authorised or regulated by a Member State without reference to such Directive, and entities authorised or regulated by a non-Member State:
 - i Credit institutions
 - ii Investment firms
 - iii Other authorised or regulated financial institutions
 - iv Insurance companies
 - v Collective investment schemes and management companies of such schemes

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- vi Pension funds and management companies of such funds
 - vii Commodity and commodity derivatives dealers
 - viii Locals
 - ix Other institutional investors
- b. Large undertakings meeting two of the following size requirements on a proportional basis:
- i balance sheet total at least: EUR 20,000,000,
 - ii net turnover at least: EUR 40,000,000,
 - iii own funds at least: EUR 2,000,000.
- c. 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 (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 securitization of assets or other financing transactions.
- e. Clients who may be treated as “professional clients” on request following approval by the Company (Please see further below under Request for different classification).

The entities mentioned above from points 3(a) to 3(d) are professional clients in relation to all investment activities and financial instruments. The Clients mentioned in point 3(e) may be treated as professional clients, generally or in respect of a particular investment service or transaction or type of transaction or product.

The entities mentioned above are considered to be professionals. They are however allowed to request non-professional treatment and the Company may agree to provide a higher level of protection.

Professional Clients are responsible for keeping the Company informed about any change which could affect their categorisation. Should the Company become aware that the Client no longer fulfils the initial conditions which made him eligible for professional treatment, the Company will take appropriate action.

4. ELIGIBLE COUNTERPARTY

It is a party to which an investment firm provides the services of reception and transmission of orders on behalf of clients and/ or execution of such orders:

- a) Investment firms
- b) Credit institutions

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- c) Insurance companies
- d) UCITS and their management companies
- e) Pension funds and their management companies
- f) Other financial institutions authorised by a Member State or regulated under the laws of Cyprus or under European Union law

National governments and their corresponding offices, including public bodies that deal with public debt at national level, central banks, the Central Bank of Cyprus and supranational organisations.

Clients may request to change their Client Categorisation. Nevertheless, it is up to the Company to accept or reject any such request for change of Categorisation.

In the case where the Company decides that categorizing the Client as a Professional or Eligible Counterparty is suitable for the client based on his/her profile and needs, we will send the client a document which explains the protections that he/she will lose prior to the provision of any services, and he/she will sign a declaration which states that he/she wishes to be treated as a non-Retail Client. The Client may, however, request to be treated instead as a Retail Client provided the relevant criteria and procedure are fulfilled.

The criteria that will allow the Company to treat the client as a Professional as well as the procedure are set out in the Appendix 1. It is the client's responsibility to inform the Company if we have not categorised him/her correctly and if any change occurs which could affect his/her categorisation as a Retail Client.

5. REQUEST FOR DIFFERENT CLASSIFICATION

Elective Professional Clients: Clients who have been initially classified by as retail clients are allowed to request to be treated as professional clients. The client must state in writing that they wish to be treated as a professional client. In this case, the client will be afforded a lower level of protection.

Requested to become Professional: Clients can email or write the Company and request to be treated as a professional client. In this case the Client needs to complete a Professional Client Notice (Appendix 1) where they will indicate the criteria that they meet to qualify as a Professional client.

Before deciding to accept any request for waiver, the Company is required to take all reasonable steps (as stated below) to ensure that the client requesting to be treated as a professional client meets the relevant requirements. The Company is not obliged to deal with the client under a different classification.

A. Qualitative and Quantitative Test

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The Company is allowed to treat any of the retail clients as “professional clients”, provided that the relevant criteria and procedure mentioned below are fulfilled:

1. The Client meets the “Qualitative Test” where the Company has adequately assessed the expertise, experience and knowledge of the client that gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making his own investment decisions and understanding the risks involved;
2. In relation to MiFID business that the client meets “Quantitative Test” in which at least two of the following criteria are satisfied (the "quantitative test"):
 - 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 EUR 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.

The Company will assess the clients request following the criteria as noted above and respond to the client with their conclusion in writing.

If the client is deemed suitable to be opted up to a professional, the Company will give a clear written warning of the protections and investor compensation rights they may lose. Clients must state in writing, in a separate document, that they are aware of the consequences of losing such protections.

Notes:

- ✓ The fitness test applied to managers and directors of entities licensed under directives of the EU in the financial field is an example of the assessment of expertise and knowledge involved in the Qualitative Test.
- ✓ An Elective Professional Client must not be presumed to possess market knowledge and experience comparable to a Per Se Professional Client.
- ✓ If the client is an entity, the above Qualitative Test should be performed in relation to the person authorised to carry out transactions on its behalf.

B. Reclassification of a professional client into retail client

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Reclassification of a professional client into a retail client: Any professional client has the right to request to be reclassified as a “retail client” in order to obtain a higher level of protection.

It is the responsibility of the client, considered to be professional client, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved. This higher level of protection will be provided 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 a professional client for the purposes of the applicable conduct of business regime. Such agreement will specify whether this applies to one or more particular services or transactions or to one or more types of products or transactions.

C. Reclassification of an eligible counterparty

Reclassification of an eligible counterparty: An eligible counterparty has the right to request a different classification, either as a “professional client” or as a “retail client”, in order to obtain a higher level of protection. Under the Law, the Company is not obliged to deal with the Client in accordance with its request.

6. RECORD KEEPING

All the documentation and/or information shall be kept for a period of at least five (5) years.

7. REVIEW OF THE POLICY

The Company will perform a periodical review of this Policy at least on an annual basis. The Company's Compliance Officer is responsible to keep this Policy updated, and in line with the law and regulatory requirements of the European Union and Cyprus, as well as CySEC's Directives and Circulars.

The Policy is approved by the Board of Directors (“BoD”) and acknowledged by the Senior Management.

APPENDIX 1



Professional Client Notice

Client Name ("I", "me", "my", "Client")

Account Number / Username

I wish to be treated as a Professional Client.

You must tick at least TWO out of the THREE statements below to meet the criteria to become a Professional Client.

I confirm that:

- I have traded leveraged products (e.g. CFD's, Forex), in significant size, at an average frequency of 10 per quarter over the previous four quarters;
- I have an investment portfolio (including cash deposits and financial instruments) exceeding €500,000;
- I work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of CFDs or forex. Please provide further details below regarding the nature of your experience and knowledge of margined products, in a professional capacity:

Please note that we may request further information to confirm trading frequency and portfolio size.

Signature

Date

Title

Trading involves high risk. For more information please visit [our legal page](#).

Please note that not all products are available in all jurisdictions. Monecor (Europe) Ltd, trading under OvalX is regulated by the Cyprus Securities and Exchange Commission with the licence number 096/08.

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