



# Client Categorisation

(Cayman Islands)

## 1. INTRODUCTION

ATC BROKERS LIMITED (“ATC”) is registered under the Securities Investment Business Law (2015 Revision) (“the Law”) to carry out certain investment activities. As a result, it is required to comply with various rules and guidance issued by the Cayman Islands Monetary Authority (“CIMA”).

The Securities Investment Business (Conduct of Business) Regulations, 2003 (“the Regulations”) sets out various requirements in respect of the way in which ATC needs to conduct its securities business activities.

Section 12 of the Regulation requires ATC to categorise all clients in respect of whom it carries on securities investment business as either a Private Client, Professional Client or a Market Counterparty.

The purpose of this document is to set out ATC’s policy on categorising clients and the procedures that should be followed.

ATC ensures that clients are appropriately categorised, prior to doing business with them, in order to ensure that regulatory protections are focused on those classes of client that need this the most. In certain circumstances, clients may request to receive a different classification, either generally or in respect of specific circumstances.

## 2. CATEGORIES OF CLASSIFICATION

### 2.1. Private Clients

A Private Client is one of the following:

- All individuals
- Small Businesses

As a Private Client, you are entitled to the maximum level of protection in relation to the Regulations. With regards to funds held with ATC, any money we receive from you or hold on your behalf will be treated as “Client Money” as defined the Regulations. This means that any money we receive from you or hold on your behalf will be segregated from ATC’s own money, and you will not rank as a general creditor of ATC in the event of insolvency or an equivalent failure. ATC has the permissions to deal with Private Clients and unless a client is deemed a Professional Client they will be a Private Client.

### 2.2 Professional Client

Professional clients are clients that have more experience than a Private Client but do not qualify as a market counterparty. The following are classified as Professional Clients:

- A public authority
- Securities Investment Business Intermediary

- Sophisticated persons as defined in the Law, either:
  - Regulated by CIMA; or
  - Regulated by a recognised overseas regulatory authority; or
  - Has securities listed on a recognised stock exchange.
- High net worth individual with total assets of at least 4 million dollars
- Closed-ended funds and all other funds that are not required to be licensed, administered or registered under the Mutual Funds Law
- Private clients that have been re-classified as a Professional Client because:
  - The client falls within the definition of a high net worth individual
  - The client falls within the definition of a sophisticated person (as above).

Professional Clients must be informed in writing of the protections that they will lose by having such a classification, and that the protection that will be afforded them will be lower than that of a Private Client.

Prior to reclassifying a Private Client as a Professional Client, ATC will assess the client (in relation to the depth of their experience, size, frequency of dealings, and financial resources), that gives reasonable reassurance, in light of the nature of the transactions envisaged, that the client is capable of making its own investment decisions and understanding the risks involved. The client must also confirm in writing that it wishes to be treated as a Professional Client. ATC will also notify the client of the protections that will be lost.

### **2.3 Market Counterparty**

Market Counterparties are classified as one of the following:

- A Government (including a quasi-governmental body or a government agency)
- A central bank or other national monetary authority
- A supranational whose members are countries or central banks
- A state investment body or public debt management body
- A Company/Partnership with a net worth/turnover of \$12,000,000
- A Professional Client who is one of the following and is not acting for underlying clients:
  - A public authority
  - A Securities Investment Business Intermediary
  - A Sophisticated Person regulated by CIMA, or a recognised overseas regulatory authority.

ATC will notify the Professional Client in writing of the protections that will be lost as a result of reclassification. Under no circumstances will ATC reclassify a Private Client as a Market Counterparty.