



CLIENT CATEGORISATION POLICY

ABF Trade EU Limited

Version	v1.0
Effective Date	12 May 2026
Review Date	12 May 2027
Document Reference	ABF-CCP-001
CySEC Licence	171/12

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Document Control

Version	Date	Description	Approved By
v1.0	12 May 2026	Initial version for ABF Trade EU Limited	Board of Directors

1. Introduction

By accepting this Client Categorisation Policy ("the Policy"), you acknowledge and confirm that the official legally binding language of ABF Trade EU Limited is English. Where this Policy is made available in other languages for convenience, the English version shall prevail in the event of any discrepancy.

ABF Trade EU Limited ("the Company") is a Cyprus Investment Firm ("CIF") with business address at 162 Fragklinou Rousvelt, 1st & 2nd Floors, Limassol 3045, Cyprus, registered under Company Registration No. HE 291958 and authorised and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under CIF Licence No. 171/12.

Following the implementation of the Markets in Financial Instruments Directive II (MiFID II, Directive 2014/65/EU) in the European Union and its transposition into Cypriot law through the Investment Services and Activities and Regulated Markets Law of 2017 (L.87(I)/2017) as amended (the "Law"), all Cyprus Investment Firms are required to categorise their Clients prior to commencing a business relationship.

This Policy explains how the Company categorises its Clients, what protections each category of Client is entitled to, and the procedures available for Clients who wish to request a change in their categorisation.

2. Client Categorisation

Prior to engaging in a business relationship with prospective Clients, the Company notifies them of their categorisation and of their rights to request reclassification. The Company categorises its Clients into three categories:

- Eligible Counterparties
- Professional Clients
- Retail Clients

Each category is afforded a different level of regulatory protection under the Law, with Retail Clients receiving the highest level of protection and Eligible Counterparties receiving the lowest.

3. Eligible Counterparties

Eligible Counterparties are entities or persons in respect of which the Company is exempted from certain conduct of business obligations under the Law. The following entities may be classified as Eligible Counterparties:

- Investment firms
- Credit institutions
- Insurance companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorised or regulated under EU or national law
- Commodity and commodity derivative traders dealing on own account

- National governments and their corresponding offices, including public bodies which manage public debt
- Central Banks
- Supranational organisations
- Third-country entities equivalent to the categories mentioned above

On request, the Company may also recognise an entity as an Eligible Counterparty if it falls within the category of Clients who are per se or on request Professional Clients, subject to the conditions and requirements set out in the Law.

Where a prospective counterparty is located in another EU Member State, the Company shall apply the rules of the law of that Member State, in accordance with the Law.

4. Professional Clients

A Professional Client is a Client who possesses the experience, knowledge, and expertise to make their own investment decisions and assess the risks that they incur, and in respect of whom the Company is subject to fewer conduct of business obligations than in respect of Retail Clients.

4.1 Per Se Professional Clients

The following entities are considered to be Professional Clients by default (per se Professional Clients):

(i) Entities which are required to be authorised or regulated to operate in the financial markets, including:

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

(ii) Large undertakings meeting at least two of the following size requirements:

- Balance sheet total of at least EUR 20,000,000
- Net turnover of at least EUR 40,000,000
- Own funds of at least EUR 2,000,000

(iii) National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, and the EIB.

(iv) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

Where a Client fulfils one of the above criteria, the Company will categorise it as a Professional Client prior to the provision of investment services.

5. Retail Clients

A Retail Client is any Client who is not a Professional Client or Eligible Counterparty. Retail Clients are afforded the highest level of regulatory protection under the Law. The majority of the Company's individual Clients are classified as Retail Clients.

6. Option to Change Classification

The Company recognises that Clients may not always fall neatly into a single category, and that circumstances may change over time. The following reclassification requests may be made:

6.1 Retail Client Requesting Professional Client Status

A Retail Client who wishes to be treated as a Professional Client may submit a written request to the Company. By doing so, the Client acknowledges that they will lose certain protections afforded to Retail Clients under the Law, including but not limited to protections relating to appropriateness assessment, investor compensation, and best execution cost prioritisation.

The Company will apply a fitness test to assess the Client's expertise and knowledge. As a minimum, at least two of the following criteria must be 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, defined as 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.

In the case of entities, the assessment shall apply to the person authorised to carry out transactions on their behalf.

Procedure for reclassification to Professional Client:

- The Client states in writing to the Company that it wishes 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.
- The Company provides a clear written warning of the protections and investor compensation rights the Client may lose.
- The Client states in writing, in a separate document from the main Client Agreement, that it is aware of the consequences of losing such protections.
- Before accepting any request for reclassification, the Company takes all reasonable steps to ensure that the Client requesting Professional Client status satisfies the relevant criteria.

Clients wishing to be treated as Professional Clients may use the 'Application for Change of Client Status' form available on the Company's website.

6.2 Professional Client Requesting Retail Client Status

A Professional Client (whether per se or elective) may request non-professional (Retail) treatment and thereby benefit from a higher level of protection. This higher level of protection will be provided when the Client who is considered Professional enters into a written agreement with the Company to the effect that they will not be treated as a Professional Client for the purposes of applicable conduct of business rules.

6.3 Eligible Counterparty Requesting Professional or Retail Status

An Eligible Counterparty may request to be treated as a Professional Client or as a Retail Client. In such cases, the Client seeks a higher level of protection than that afforded to Eligible Counterparties under the Law.

The Company reserves the right to decline any of the above requests for reclassification. In making its decision, the Company will consider whether it is able to provide the requested level of service to the Client under the proposed categorisation.

7. Keeping the Company Informed

All Clients are responsible for keeping the Company informed of any change which could affect their current categorisation. If the Company becomes aware that a Client no longer fulfils the conditions that made them eligible for their current categorisation, the Company will re-categorise the Client as appropriate and notify them accordingly.

8. Protection Rights by Category

8.1 Retail Clients

Where the Company treats a Client as a Retail Client, the Client will be entitled to the following protections under the Law:

- More detailed information disclosures regarding the Company, its services, and any investments made on the Client's behalf.
- An assessment of the appropriateness of investment services and financial instruments for the Client, based on the Client's knowledge and experience.
- Best execution obligations where the overall cost (price plus execution costs) is the primary factor.
- Timely notification of any material difficulty relevant to the proper carrying out of their Orders.
- Periodic account statements in respect of any portfolio management activities.
- Negative balance protection: Retail Clients cannot lose more than the funds in their trading account.
- Eligibility for compensation under the Investor Compensation Fund (ICF) for Clients of Investment Firms in Cyprus, covering claims of up to EUR 20,000.
- The Company is required to assess the suitability of any personal recommendations provided to Retail Clients.

8.2 Professional Clients

Where the Company treats a Client as a Professional Client, the Client will be afforded a lower level of protection than Retail Clients. In particular:

- The Company is entitled to assume that the Client has the necessary experience and knowledge to understand the risks involved in the transactions and services provided.
- The Company is entitled to assume that the Client is able financially to bear the investment risks related to the services provided.
- Best execution obligations still apply, but the Company is not required to prioritise the overall cost of the transaction as the primary factor.
- Professional Clients may not be eligible for compensation under the ICF.

8.3 Eligible Counterparties

Where the Company treats a Client as an Eligible Counterparty, the Client will be entitled to fewer protections under the Law. In particular, the Company is not required to:

- Provide best execution for the Client's Orders.
- Disclose to the Client information regarding fees or commissions the Company pays or receives to or from third parties.
- Assess the suitability or appropriateness of a product or service provided.
- Provide the Client with information about the Company, its services, and the arrangements for managing conflicts of interest.
- Provide the Client with risk disclosures on the products or services offered.
- Provide reports on the execution of Orders or the management of any portfolio.

9. Amendments and Additional Information

9.1. The Company reserves the right to review and/or amend this Policy whenever it deems this appropriate or when required to do so by applicable law or regulatory requirements. Where any amendment materially affects Clients, the Company will notify Clients in advance in accordance with the Client Agreement.

9.2. An updated version of this Policy will always be available on the Company's website at www.abftrade.com/eu.

9.3. Should you require any further information or have any questions about this Policy, please contact:

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