

Schedule of Protections Lost: the differences between the treatment of Retail and Elective Professional Clients

For the avoidance of doubt, the points raised below do not constitute an offer or undertaking by Amana to provide any services to Retail Clients, or to categorise any client as a Retail Client, whether in the manner set out below or otherwise. Any references to “professional client” shall include both Per se and Elective Professional Clients.

As an Elective Professional Client a “regulated firm” will engage with you subject to the minimum obligations set out below:

Client Agreements

1. A regulated firm is not required to enter into a written basic agreement, nor to provide the Professional Client with details of the terms of the agreement before the client is bound by the agreement.

Exclusions of Liability

2. Regulated firms are not permitted to exclude or restrict any duty or liability when communicating with a retail client unless it is honest, fair and professional for that regulated firm to do so. Communications with professional clients are not subject to this rule, although regulated firms should at “all times” act honestly, fairly and professionally in accordance with the best interests of a professional client.

Information about a regulated firm, its services, and its remuneration

3. Regulated firms are not expressly required to provide Professional Clients information about it and its services (for example but not limited to: its authorisation, conflicts of interest, and methods of communication with it.)
4. Regulated firms that manage investments for a Professional Client are not specifically required to provide the Professional Client with information on benchmarks, delegation, types of investments and objectives, or valuations.
5. A regulated firm that holds certain investments, or money are only required to provide a Professional Client with detailed information as to:
 - a. The manner in which assets are held and protected;
 - b. Any securities or liens over those assets; and
 - c. The way in which securities may be used in securities financing transactions.
6. Regulated firms are not required to provide Elective Professional Clients as to their costs and associated charges.

Client signature [_____]

Communicating with elective professional clients

7. The CySEC Rules state that a communication, including financial promotions to a Professional Client need not contain the same information or be presented in the same manner as to a retail client. Nonetheless, regulated firms, provided it is proportionate to the recipient, are to ensure that all communications with clients are fair, clear and not misleading.
8. The requirements relating to distance communications will not apply if, as a Professional Client, you fail to meet the definition of “consumer”. Financial Promotions directed to Professional Clients are not subject to the specified internal approval and record keeping procedures as is the case with Retail Clients.

Providing product information

9. Regulated firms are not required to provide product information to Professional Clients when selling, recommending, or arranging the sale of a packaged product, cash deposit ISA or a cash deposit child trust fund, or the transfer between certain funds. Such product information not required to be provided includes what is known as a “key facts” disclosure document and information on commission. Additionally, prescribed information relating to certain life policies or pensions need not be communicated to the Professional Client.
10. Regulated firms are required to provide all clients (retail and professional) with information on the general nature of risks of designated investments. However, a Professional Client may receive a less detailed description of the risks associated with a particular designated investment. Similarly, in relation to investments subject to an offer to the public, a regulated firm need not inform the Professional Client, in regards to where a prospectus has been made available.
11. Regulated firms are not required to provide Professional Clients with details required to make a fair assessment of the guarantor of any third party guarantees incorporated in the investment. Likewise, the requirements to provide information concerning designated investments in advance to providing a service will not specifically apply to a Professional Client.

Reporting information to clients

12. Regulated firms when executing orders, other than in the course of managing investments, may provide Professional Clients with more simplified trade confirmation information than required for Retail Clients. Additionally, where a regulated firm has averaged certain data in relating to the execution of orders in tranches, Professional Clients are not afforded Retail Clients’ right to receive data in relation to each individual tranche.
13. Where regulated firms periodically execute a series of orders for units in a collective investment undertaking, there is no requirement on the regulated firm to provide a six-monthly statement containing trade confirmation information to a Professional Client as there would be if the client were a Retail Client.

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14. Regulated firms that manage investments on behalf of clients (both retail and professional clients) are in certain situations not required to provide periodic statements to Professional Clients. The detailed and specialised form, content and timing requirements that apply to periodic statements for retail clients, are not applicable to statements sent to Professional Clients.
15. Where regulated firms owe no duty to a Professional Client to agree a loss threshold or to report any losses that may exceed any agreed threshold when undertaking the managing of investments, or operating a client account that includes an uncovered open position in a contingent liability transaction.

Best Execution and order handling

16. When executing orders for clients, or placing orders for clients with another firm (both retail and professional clients) regulated firms must take all reasonable steps to obtain the “best possible result” for the client. However, for Professional Clients regulated firms need not determine best execution results solely or limited to consideration only. Similarly, regulated firms dealing with Professional Client’s need only provide appropriate information as to their order execution policy as opposed to detailed information.
17. Regulated firms dealing with Professional Clients with competing execution venues, are not required to take into account (et alia) their own commissions, and costs when executing on each of the eligible execution venues.
18. Regulated firms when carrying out client orders need not inform the Professional Client of any material difficulty in carrying out the order promptly on becoming aware of the difficulty, the regulated firm need only provide “appropriate information.”
19. It may be possible for regulated firm’s clients (both retail and professional) to enter into transactions for financial instruments on what is known as a “request for quote” basis, where the client requests a quote for the price at which the regulated firm is prepared to purchase an investment from, or sell it to the client. In such circumstances, where this request come from a Professional Client, the regulated firm unlike when acting for a retail client, may not act as entering the relevant transaction “on behalf of the client” and therefore may not owe the duty to take reasonable steps to obtain the best possible result.

Custody

20. “Custody Rules” apply to regulated firms when they receive or hold investments on behalf of clients.
21. Normally best practice dictates that registration of recoding of legal title to a safe custody investment in a regulated firm’s own name, the title must be registered or recorded in the name of a separate party (custodian or nominee). Where regulated firms register or record title in their own name, they are free to do so without the consent of the professional client.

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22. Regulated firms are required to hold documents of title to a safe custody investment either in a regulated firm's own physical possession or with a custodian in an account designated for customers' safe custody investments, or in accordance with a professional client's specific written instructions.
23. The client's (whether retail or professional) express consent is required prior to the regulated firm to undertake or otherwise engages in stock lending or other securities financing activity. Nonetheless when a regulated firm acts for a Professional Client, it need not ensure that the collateral provided by the borrower is "in favour of the client" nor must it commit itself to monitoring the realisable value of the safe custody investment or that of the collateral, nor must it commit itself to covering the difference between if the current realisable value of the collateral falls below that of the safe custody investment.
24. Regulated firms may not undertake or otherwise engage in stock lending activity (and other securities financing activity) with or for any client (whether retail or professional) unless they have obtained the express prior consent of that client. Unlike when acting for a Retail Client, a regulated firm need not ensure that collateral is provided by the borrower in favour of the client, nor monitor the realisable value of the safe custody investment or that of the collateral, nor provide collateral to make up the difference where the current realisable value of the collateral falls below that of the safe custody investment.

Client Money

25. There are instances where money received by a regulated firm from a client will not be considered "client money" for the purposes of the regulatory rules, in this case the Client Money Rules will not apply. However, where full ownership of money is transferred by a Professional Client to a regulated firm, and the Client Money Rules do apply, then the regulated firm is not strictly required to notify the client that the money has been transferred, nor that a proprietary claim over said money has expired. In addition to the above, the regulated firm need not inform the client that the transfer is required for the purposes of covering or securing a client's obligations, and need not inform the client that an equivalent transfer back to the client may arise where the requirement for collateral is no longer present.
26. Professional Clients have no implied right to receive interest on client money unless otherwise agreed.
27. Other firms such as an exchange, clearing house or an intermediate broker, may be tasked by a regulated firm to hold or control client money, however this is only permissible upon the client money being transferred for the purpose of a customer transaction, or in order to meet a customer's obligation to provide collateral for a transaction (initial margin requirements for a contingent liability investment etc.) Regulated firms need not notify a professional client that client money may be transferred to an independent party.

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Stakeholder Products

28. A regulated firm need not follow the requirements set out on advice on “stakeholder products,” nor the prescribed sales process, product suitability nor the further rules on concluding a contract and record keeping when dealing with a Professional Client.

Business outside the scope of the Markets in Financial Instruments Directive (‘MiFID’)

29. Professional clients are not granted the additional protections under the Regulatory Rules to retail clients for business conducted outside the scope of MiFID.

Complaints

30. A professional client has no right of access to the Financial Ombudsman Service or the Investor Compensation Funds.

Further Important Information**Changing your categorisation**

Please note that once you are categorised as an Elective Professional Client, the Rules state that it will be your responsibility to keep us informed of any changes that could affect your categorisation, and we require you to do so by writing to us within seven (7) business days of any actual or proposed changes occurring. In addition, we remind you that you may request to re-classify as a retail client.

Client Name [BOLCK CAPITALS]

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Date: