

MIFID Client Classification – Investment Funds

KBC Bank Ireland (KBCI) will classify all Investment Funds clients as “Retail” client as per MIFID legislation. “Retail” clients are afforded the highest level of protection. You may wish to opt for a lower level of protection as a “Professional” client. “Retail” clients making such requests must meet certain criteria as noted at (2) below.

1 Definition of a Professional Client

A **professional client** is a client that possesses the experience, knowledge and expertise to take its own investment decisions and to properly assess the risks that it incurs.

The following are considered as ‘professional clients’:

- (1) Entities which are required to be authorised or regulated to operate in the financial markets (e.g., credit institutions, investment firms, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, commodity and commodity derivatives dealers or institutional investors);
- (2) Large undertakings which individually meet two of the following size criteria:
 - a balance sheet total of €20,000,000;
 - a net turnover of €40,000,000 ;
 - own funds of €2,000,000 .
- (3) National and regional governments, public bodies that manage public debt, central banks, international and supra-national institutions such as the World Bank, the IMF, the ECB, the EIB and other similar organisations;
- (4) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

Clients classified as ‘professional clients’ do not have the same level of protection as ‘retail clients’.

2 Client requesting a different MIFID categorisation from “Retail” to “Professional”

A **Retail client** can opt for a lower level of protection to a **Professional client**.

Retail clients making such requests must however satisfy at least two of the following criteria:

- During each of the four previous quarters, the client must have carried out an average of 10 transactions of significant size, on the market mentioned in his/her request.
- The client’s financial instrument portfolio, defined as including cash deposits and financial instruments (but excluding real property) must exceed €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.

To this end, the client must submit a written request and evidence that the criteria noted at (2) above has been met for the attention of the Retail Products Manager, KBC Bank plc, Sandwith Street, Dublin 2. KBCI will take all reasonable steps to ensure that the client requesting to be treated as a professional client meets the relevant criteria and if the above criteria is met, the client will be classified as “professional” and the client will be notified of such.