

INTERACTIVE BROKERS IRELAND LIMITED

ELECTIVE PROFESSIONAL CLIENT CATEGORISATION NOTIFICATION

In accordance with the European Union (Markets in Financial Instruments) Regulations 2017 (“**MiFID Regulations**”), Interactive Brokers Ireland Limited (“**IBIE**”) categorises each client as either a Retail Client or as a Professional Client (each as defined under the MiFID Regulations).

The purpose of this Elective Professional Client Categorisation Notification is to notify you that IBIE has categorised you as a Professional Client. Professional Clients do not benefit from the higher degree of statutory protections afforded to Retail Clients.

You may request to be further re-categorised as a Retail Client. Please be advised that IBIE does not have to accept this request for further re-categorisation. You can initiate a request from Client Portal.

Please read and sign the Professional Client Express Consent and Agreement to IBIE’s Order Execution Policy and execution arrangements, which is set out below.

Re-categorisation as Retail Client

If you are categorised as a professional client you are responsible for keeping IBIE informed about any change that could affect your categorisation. If IBIE becomes aware that you no longer fulfil the initial conditions that made you eligible for the categorisation, IBIE may re-categorise you as a retail client.

Additionally, you may request to be re-categorised as a retail client by entering into a written agreement with IBIE to the effect that you will not be treated as a professional client for the purposes of the applicable conduct of business regime. You can initiate such request from the MiFID Client Category section of your Account Management.

Warning on the differences in regulatory protections that apply to a professional client as compared with a retail client in relation to MiFID or equivalent third country business in respect of services provided by IBIE.

The main differences in regulatory protections afforded to professional clients as compared with retail clients are:

1. **Description of the nature and risks of packaged investments:** A firm that offers an investment service with another service or product or as a condition of the same agreement with a retail client must:
 - (i) inform retail clients if the risks resulting from the agreement are likely to be different from the risks associated with the components when taken separately; and
 - (ii) provide retail clients with an adequate description of the different components of the agreement and the way in which its interaction modifies the risks.

The above requirements do not apply in respect of professional clients.

2. **Investor protection measures on the provision of Contracts for Differences (“CFDs”):** The European Securities and Markets Authority (“**ESMA**”) introduced product intervention measures on the provision of CFDs to retail investors. The measures include:
 - (i) New leverage limits on the opening of a position, which vary according to the volatility of the underlying;

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- (ii) A margin close out rule on a per account basis that standardises the percentage of margin at which providers are required to close out one or more open CFDs;
- (iii) Negative balance protection on a per account basis;
- (iv) A restriction on the incentives offered to trade CFDs; and
- (v) A standardised risk warning, including the percentage of losses on a CFD provider's retail investor accounts.

The above requirements do not apply in respect of professional clients.

3. **Communication with clients:** A firm must ensure that its communications with all clients are fair, clear and not misleading. However, the way in which a firm may communicate with professional clients (about itself, its services and products, and its remuneration) may be different from the way in which the firm communicates with retail clients. A firm's obligations in respect of the level of details, medium and timing of the provision of information are different depending on whether the client is a retail or professional client. The requirements to deliver certain product-specific documents, such as Key Investor Information Documents ("KIID") for Packaged Retail and Insurance-based Investment Products ("PRIIPs"), are not applied to professional clients. You may, however, consult such a document on our website.
4. **Depreciations in value reporting:** A firm that holds a retail client account that includes positions in leveraged financial instruments or contingent liability transactions must inform the retail client, where the initial value of each instrument depreciates by 10 per cent and thereafter at multiples of 10 per cent.
The above requirements do not apply in respect of professional clients.
5. **Appropriateness:** When assessing appropriateness for non-advised services, a firm will be required to determine whether the client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or service offered or demanded.

Where such an appropriateness assessment requirement applies in respect of a client, the firm may assume that a professional client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the client is classified as a professional client. A firm may not make such an assumption for a retail client and must determine that a retail client does indeed have the necessary level of experience and knowledge.

IBIE provides non-advised services and is not required to request information or adhere to the assessment procedures for a professional client when assessing the appropriateness of a given service or product as with a retail client, and IBIE may not be required to give warnings to the professional client if it cannot determine appropriateness with respect to a given service or product.

6. **Compensation:** IBIE is a member of the ICS. You may be entitled to claim compensation from that scheme if IBIE cannot meet its obligations to you. This will depend on the type of business and the circumstances of the claim; compensation is only available for certain types of claimants and claims in respect of certain types of business. Eligibility for compensation from the scheme is determined under the rules applicable to the scheme. Eligibility for compensation from the scheme is determined under the rules applicable to the scheme.

PROFESSIONAL CLIENT EXPRESS CONSENT AND AGREEMENT TO IBIE'S ORDER EXECUTION POLICY AND EXECUTION ARRANGEMENTS

Clients of IBIE are requested to carefully read and expressly consent and agree to our Order Execution Policy, a copy of which may be found [here](#).

By electronically accepting this document, you are **expressly consenting and agreeing that:**

1. You have read and fully understand the Order Execution Policy and you expressly consent and agree to the terms of the Order Execution Policy.
2. You fully understand that under the Order Execution Policy the best result for your order will be determined primarily in terms of "Total Consideration". "Total Consideration" is the price of the relevant financial instrument, plus the costs related to execution. You understand that total consideration is the prioritised factor where the "Cost-Considered when Routing" functionality is active in the IBIE trading platforms. Otherwise, SmartRouting will direct the order to the venue providing the best price.
3. IBIE may execute orders outside of a trading venue (i.e. outside of a regulated market, multilateral trading facility or organised trading facility) in certain circumstances, as is permitted under the terms of the Order Execution Policy.
4. Where you place a client limit order with us in shares which are admitted to trading on a regulated market or traded on a trading venue and that order is not immediately executed under prevailing market conditions, you expressly instruct us not to immediately make the order public.

In addition to the above, you are required to provide your express consent and agreement to a number of additional matters, including express consents in respect of how IBIE will hold and safeguard your client assets. These client asset-related consents are set out in full in Section 3 of the IBIE Customer Agreement, which has been separately provided to you. Please ensure that you have read and fully understand all of the IBIE Customer Agreement, including Section 3.