



Professional Clients Policy and Application

1. General

Capital Com Online Investments Ltd (the "Company") is authorized and regulated by the Securities Commission of The Bahamas ("SCB") (License No. SIA-F245). The Company's registered office having its registered office and place of business at Building #3, Bayside Executive Park, Blake Road & West Bay Street, P. O. Box CB-13012, Nassau, New Providence, Bahamas. The Company is authorized to deal as an agent and as principal by arranging deals and dealing in Contract For Differences ("CFDs").

This Professional Clients Disclaimer (the "Policy") sets out essential information for Retail Clients who request to be classified as Professional Clients. The Policy needs to be read and understood in totality, while for any inquiries, you may contact support@capital.com. Furthermore, the Policy includes the application process in Section 3.

Retail Clients may be classified as Professional Clients when they meet at least two (2) of the three (3) following criteria:

- The client seeking professional status has carried out transactions, in significant size, on the relevant market at an average frequency of ten (10) per quarter over the previous four (4) quarters;
- The size of the financial instrument portfolio of the client seeking professional status, defined as including cash deposits and financial instruments, exceeds USD 500,000;
- The client works or has worked in the financial sector for at least one (1) year in a professional position, which requires knowledge of the transactions or services envisaged.

Regarding the SCB Regulations, we can assume that professional clients have sufficient knowledge, experience, and expertise to make their own investment decisions and understand the risks involved in trading with CFDs.

As a Professional Client, you are responsible for informing us about any change which could affect your current classification. In case of such a change, please notify us in writing at the following e-mail address: support@capital.com or notify your dedicated account manager. We will take appropriate action if we become aware that you no longer fulfil the initial conditions that made you eligible for Professional Client status.

You are entitled to demand at any time another classification, e.g., be re-categorized as a Retail Client and receive higher protection regarding the SCB regulations (see Part 2 below). In this case, please notify us in writing at the following e-mail address: support@capital.com or notify your dedicated account manager. Such re-classification becomes effective after such a request has been received and acknowledged by the relevant officer of our Compliance Department. For the avoidance of doubt, such requests cannot be

Warning - *CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. The majority of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.*



retroactively applied to trading transactions that have taken place before we have formally received and acknowledged such requests.

2. Consequences of Categorisation as an Elective Professional

Once categorised as a Professional Client, you will lose some of the regulatory protections otherwise available to you as a Retail Client. In particular, the following changes shall be applicable:

2.1 Appropriateness Test

We assume you have sufficient knowledge and experience to understand and assess the risks of the relevant financial instruments. For this reason, we do not implement a test of appropriateness for your subsequent transactions.

2.2 Understanding of Risk

We will not be obliged to ensure that you understand the nature of the risks involved in any subsequent transactions in connection with the services we provide you, nor are we obliged to provide you with written risk warnings concerning any transaction, i.e., margin risk warning.

2.3 Title Transfer Collateral Arrangement

If you are categorised as a Professional Client. In that case, your money may be treated under title transfer, which means the money that you transfer to us by way of margin or otherwise may be treated as a transfer in full ownership to the Company to secure or cover your recent, future, actual, contingent or prospective obligations to the Company.

2.4 Terms of Business

We will be under no obligation to set the basis on which our services are provided in writing, although it is our practice to do so. Our Terms & Conditions and Policies remain applicable to you to the extent they do not conflict with your status as a Professional Client, as elaborated in the [client categorization policy](#) and the Elective Professional Terms and Conditions.

2.5 Prior Disclosure of Charges

Although it is our practice to do so, we are not required to inform you of the charges applicable to the services we will be providing.

2.6 Marketing Materials

Marketing materials directed at Professional Clients' are only subject to the high-level requirement that they are fair, transparent, and not misleading.

2.7 Difference in Best Execution

For Professional Clients, the relative weighting of the order execution criteria is decisive, not only total consideration (i.e., price and costs as for Retail Clients) but also the speed, the

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probability of execution and settlement of the order as well as scope and type of order are also to be taken into consideration).

2.8 Margin Requirements

For Professional Clients, the following margin rules will not be applicable:

1. 0.5% of the value of the exposure that the trade provides when the underlying currency pair is composed of any two of the following currencies: Canadian dollar, Euro, Japanese yen, Pound sterling, Swiss franc, or US dollar
2. 0.5% of the value of the exposure that the trade provides when the underlying asset is permitted sovereign debt;
3. 0.5% of the value of the exposure that the trade provides when the underlying asset is a primary stock market index, a currency pair composed of at least one currency not listed in (1) above, or gold;
4. 0.5% of the value of the exposure that the trade provides when the underlying asset is a commodity other than gold or a stock market index other than a primary stock market index;
5. 0.5% of the value of the exposure that the trade provides when the underlying asset is an equity security or an asset not otherwise listed in (1) to (4).
6. 5% of the value of the exposure that the trade provides when the underlying asset is a digital asset.

2.9 Negative Balance Protection

Negative Balance Protection may be withdrawn from professional accounts if it is found to be inappropriately used.

3. Application Process

If you would like to proceed and have your status changed to Professional Client, we need you to confirm that you fulfil at least two (2) of the following criteria:

1. Does your investment portfolio, including financial instruments, shares, and cash exceed \$500,000 *
☐ Yes
☐ No
2. Have you worked in the financial sector for at least one (1) year in a professional position that requires knowledge of CFDs, FX, or spread betting *
☐ Yes

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☐ No

3. Have you made at least ten (10) transactions per quarter, over the last four (4) quarters, on share trading, on CFDs, FX, and/or spread betting (with the Company or another provider) *

☐ Yes

☐ No

** Kindly note that the Company reserves the right to request documentation to support your choices.*

I _____ with Passport/ Identification Number _____ holding an account with the Company under the account number _____, wish to be treated as a Professional Client. I confirm that I am about to lose the above protections (as per Section 2 of this Policy) offered by the Company, and I wish to be treated as a Professional Client.

Date: _____

Signature: _____

Professional clients are responsible for keeping the Company informed about any change which could affect their current categorization. Should the Company become aware that the client no longer fulfils the initial condition, which made him eligible for professional treatment, the Company must take appropriate action.

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