

Chapter 3

Client categorisation



3.3 General notifications

3.3.1 R [deleted]

3.3.1A UK Articles 45(1) and (2) of the *MiFID Org Regulation* require *firms* to provide *clients* with specified information concerning *client* categorisation.

45(1)Investment firms shall notify new clients, and existing clients that the investment firm has newly categorised as required by UK law on markets in financial instruments, of their categorisation as a retail client, a professional client or an eligible counterparty in accordance with that Directive.

(2)Investment firms shall inform clients in a durable medium about any right that client has to request a different categorisation and about any limitations to the level of client protection that a different categorisation would entail.

[Note: articles 45(1) and (2) of the *MiFID Org Regulation*]

3.3.1B R The information referred to in article 45(2) of the *MiFID Org Regulation* (as reproduced at ■ COBS 3.3.1AUK) must be provided to *clients* prior to any provision of services.

[Note: paragraph 2 of section I of annex II to *MiFID*]

3.3.2 G This chapter requires a *firm* to allow a *client* to request re-categorisation as a *client* that benefits from a higher degree of protection (see ■ COBS 3.7.1 R). A *firm* must therefore notify a *client* that is categorised as a *professional client* or an *eligible counterparty* of its right to request a different categorisation whether or not the *firm* will agree to such requests. However, a *firm* need only notify a *client* of a right to request a different categorisation involving a lower level of protection if it is prepared to consider such requests.