

## Moving between categories

- 2.15 Under MiFID, there is scope for certain clients to be treated as falling within a different category i.e. to increasing or decreasing the levels of regulatory protections afforded.

**Key message:** MiFID provides considerable flexibility to move between categories provided certain criteria are met. Professional clients and retail clients can move between categories either generally, or in relation to one or more particular services or transactions, or one or more types of product or transaction. Also, an ECP can request treatment as a professional or retail client either generally or on a trade-by-trade basis.

- 2.16 Importantly, where a client requests a different categorisation, an investment firm has the choice whether to provide services on that basis. If the firm does not agree, the client will need to source services with the desired level of protection elsewhere.
- 2.17 Article 28(3) of the Draft Implementing Directive confirms that an investment firm can unilaterally decide to treat any or all of its clients as retail clients if it chooses to do business on that basis. Firms which choose to do so are likely to be able to simplify their internal processes relating to, and dependent on, client classification.