

Categorisation at the investment firm's initiative

- 7.60 We indicated in the August paper that investment firms have a choice whether to provide services to a client on the basis of a different categorisation.³³ Feedback from firms requested further clarification on this point.
- 7.61 Our view is that Article 28(3) of the Level 2 Implementing Directive allows investment firms, either on their own initiative or at the request of the client concerned, to treat an ECP as a professional or retail client or to treat as a retail client a client who would otherwise be a per se professional under Section I of Annex II of the Level 1 Directive.
- 7.62 Investment firms will take a commercial view on whether they offers their services only to clients in specific categories. However, firms will have to be clear about the client's categorisation and notify the client of the rights the client may have to request a different categorisation and any limitations as to the level of client protection this would entail.³⁴