

Information on clients' levels of interest protection



Categorisation of clients

In accordance with the Financial Instrument Market Law of the Republic of Latvia all clients to whom the Bank provides investment services and ancillary investment services must be categorised in order to adjust the level of protection of clients' interests.

Depending on the clients' knowledge, experience and other factors of the client, the protection of clients' interests to be provided to different categories of clients varies. Clients are divided into retail clients, professional clients and eligible counterparties. The highest level of protection of clients' interests is provided to retail clients, while the lowest level of protection of clients' interests is provided to eligible counterparties.

Unless the Bank specifies otherwise, you will be classified as a private client with the highest level of protection.

Retail client

This group has the highest level of client protection of clients' interests. This means that the Bank will provide information about the Bank and its services. The Bank will also provide information about the financial instruments and the risks associated with them, as well as the costs and other charges for trading in them. When providing individual portfolio management services, the Bank will assess whether the service is suitable for the client before the Bank provides the service. The Bank will make this assessment based on the client's investment objectives, financial situation, capacity for loss and experience and knowledge of the service or order. For services other than portfolio management, the Bank will assess whether the service is appropriate for the client based on the client's knowledge and experience. However, no such assessment shall be made if the client, on his/her own initiative and at his/her request, submits an order for financial instruments which the Bank does not consider to be complex.

In certain cases, retail clients may request to be classified as professional clients. Special conditions apply to such change of status. For further information, please contact the Bank.

The change to professional status reduces the level of client protection.

Professional client

Professional clients are considered to be able to make their own investment decisions and understand the risks associated with investments. They are generally expected to have sufficient knowledge to be able to decide for themselves what information they need to make an investment decision. This means that professional clients should themselves request the information they think they need. In providing the individual portfolio management service, the Bank does not assess the client's experience or knowledge of the financial instruments market. For other types of services, unlike the procedure for retail clients, no assessment is made as to whether the service is appropriate based on the knowledge and experience of the client.

Professional clients may, at their request and with the Bank's consent, be granted private client status for all services provided or for certain types of investment services, order or products, thereby increasing the level of protection of their interests. Professional clients may also be classified as eligible counterparties upon request and with the Bank's consent, thereby reducing the level of protection. For further information, please contact the Bank.

Eligible counterparty

The Bank shall act honestly, fairly and professionally in its dealings with eligible counterparties and shall communicate honestly, clearly and without misleading, taking into account the nature of the eligible counterparty and its business. Eligible counterparties have the lowest level of protection of clients' interests. Eligible counterparties may be reclassified as professional clients upon their request and with the consent of the Bank, thereby increasing the level of protection. For further information, please contact the Bank.

Possible changes in client status

