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Regarding the provisions quoted in the response below, as far as possible, hyperlinks to these provisions (in the respective language or, if available, in English) are set out in Document CESR/04-075 for each country.*

IMPORTANT NOTICE

In the interest of transparency and to inform interested parties, CESR has published the following (together the “Tables”):

- *the Correspondence Tables on the CESR Standards for Investor Protection (Ref. CESR/03-416b to 423b, CESR/03-134/Country);*
- *the Correspondence Tables on the CESR Standards for Alternative Trading Systems (Ref. CESR/03-415b, CESR/03-135/Country);*
- *the Synthesis Tables (Ref. CESR/03-427b and CESR/03-432b);*
- *the List of Alternative Trading Systems currently operating in Member States¹ (Ref. CESR/03-497b);*
- *the explanatory notes and caveats attached to the Tables.*

The Tables were produced by the Members of CESR¹ within the constraints of and solely for the purposes of the CESR Review Panel process of monitoring the status of implementation of the CESR Standards for Investor Protection² and the CESR Standards for Alternative Trading Systems³ in Member States.

The Tables have no legal effect; they do not present any interpretation of, or definitive position on, existing law or regulation in any jurisdiction. The Tables should not be relied upon for any purpose other than the purpose for which they were prepared. In particular, they should not be relied upon as a substitute for, or as guidance on, any aspect of the regulatory system of any Member State or as a defence in supervisory activities or enforcement proceedings; and they cannot be used to restrict competent authorities in taking regulatory or enforcement actions.

The information set out in the Tables is the response of each Member’s self-assessment. For this reason, the content of the Tables regarding a particular Member State has been prepared solely by the relevant Member on a best-efforts basis. (In a next step, the CESR Review Panel is going to conduct a common and collective peer exercise in reviewing the responses from all Members.) In case of discrepancy between the tables containing the responses from all CESR Members and the tables containing the individual responses from a particular CESR Member, the latter should be referred to.

The Tables provide a “snap shot” and will be up-dated on a regular basis to take account of regulatory developments in Member States. Therefore, they cannot be considered as fully finalised or definitive reflections of regulatory provisions in Member States. The Tables should also be read in light of current and future developments in the formulation of the proposed Directive on Markets in Financial Instruments (“ISD2”) and the future Level 2 implementing measures, and without prejudice to the position of any Member State in those developments.

For a more detailed account of the process, methodology and first, interim results, please see the “First Interim Report” by the Review Panel (Ref. CESR/03-414b).

¹ For reasons of simplicity, the term “Member” in this context refers to all participants in the Review Panel, i.e. CESR Members, CESR Observers, and the Polish securities regulators; this applies to the term “Member State” accordingly.

² “A European Regime of Investor Protection - The Harmonization of Conduct of Business Rules” (Ref. CESR/01-014d, April 2002) and “A European Regime of Investor Protection – The Professional and the Counterparty Regimes” (Ref. CESR/02-098b, July 2002).

³ Ref. CESR/02-086b, July 2002.

CORRESPONDENCE TABLE ON STANDARDS FOR INVESTOR PROTECTION
(REF. CESR/02-098B)
PART III – CATEGORISATION OF INVESTORS

D. CRITERIA FOR DEFINING PROFESSIONAL INVESTORS

Professional investors are those who may be deemed to possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks they incur.

1. Categories of investors who are considered to be professionals

Standard 10 a	<p><i>Entities which are required to be authorised or regulated to operate in the financial markets.</i> <i>The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a European Directive, entities authorised or regulated by a Member State without reference to a European Directive, and entities authorised or regulated by a non-Member State:</i></p> <ul style="list-style-type: none"> • <i>Credit institutions</i> • <i>Investment firms</i> • <i>Other authorised or regulated financial institutions</i> • <i>Insurance companies</i> • <i>Collective investment schemes and management companies of such schemes</i> • <i>Pension funds and management companies of such funds</i> • <i>Commodity dealers.</i> 		
Country	Implementing Authority(ies)	Implementing Measure ⁴	Comments
AUSTRIA	AFEC	Guideline for implementation the conduct of business rules laid down in the ASSA (17.3.1998)	These entities deemed to be professional in the understanding of the ASSA.
BELGIUM			<p>The Law of 2 August 2002 defines a professional investor as follows: “any person belonging to one of the categories of person designated by the King, upon the recommendation of the CBFA, as having the necessary knowledge and experience in terms of investments in financial instruments in order for him to take his own investment decisions and assess the attendant risks”. No such decree has however been taken.</p> <p>Some other specific legal provisions (see the answers to the professional regime) make a reference to professional investors without providing for a definition.</p> <p>Other legal texts specify that the intermediary must take into account the professional knowledge of its clients.</p>

⁴ Any derogation to the application of the implementing measures should be mentioned.

			<p>In some regulations, a definition of professional clients is given that applies for the scope of these regulations. In this respect one may refer to the Royal Decree of 7 July 1999 on the public character of financial transactions. As an example, one may mention the rules on investment advice (Articles 119 and following, Law of 6 April 1995 and RD of 5 August 1991) that only apply to services for non-professional investors. For the scope of the regulations on investment advice are to be considered as professional investors :</p> <ul style="list-style-type: none"> a) the State, the “Régions/Gewesten” (Regions) and the “Communautés/Gemeenschappen” (Communities); b) the European Central Bank, the National Bank of Belgium, the “Fonds des Rentes/Rentenfonds” (Securities Regulation Fund), the “Fonds de protection des dépôts et des instruments financiers/Beschermingsfonds voor deposito’s en financiële instrumenten” (Protection Fund for Deposits and Financial Instruments) and the “Caisse des Dépôts et Consignations/Deposito- en Consignatiekas” (Deposit and Consignment Office); c) the Belgian and foreign credit institutions referred to in Article 1, paragraph 2, of the Law of 22 March 1993 on the legal status and supervision of credit institutions; d) the Belgian and foreign investment firms whose usual activity consists of professionally providing investment services within the meaning of Article 46, 1°, of the Law of 6 April 1995 on secondary markets, on the legal status and supervision of investment firms, on intermediaries and investment advisers; e) the undertakings for collective investment referred to in Book III of the Law of 4 December 1990 on financial transactions and financial markets, and some other foreign undertakings for collective investment; f) - the insurance companies referred to in Article 2, §§ 1 and 3, of the Law of 9 July 1975 on the supervision of insurance companies; - the foreign insurance companies and pension funds which are not active in Belgium, and - the Belgian and foreign re-insurance companies; g) the capitalization companies referred to in Royal Decree nr. 43 of 15 December 1934 on the supervision of capitalization companies ; h) the holding companies referred to in Royal Decree nr. 64 of 10 November 1967 organizing the legal status of holding companies, and some other companies of which the main business is actually aimed at acquiring securities representing the capital of other companies or securities giving the right to or resulting in the commitment to subscribe to, to acquire of to convert into such securities ; i) the co-ordination centres referred to in Royal Decree nr. 187 of 30 December 1982 on the establishment of co-ordination centres ; j) the companies of which the financial instruments are admitted to
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			trading on a regulated market within the meaning of Article 1, § 3, of the above-mentioned Law of 6 April 1995, or on any other foreign market which operates regularly, is recognized and is open to the public and of which the consolidated own funds amount to at least EUR 25,000,000. Finally, one may note that in the CBFA Consultation document on portfolio management it is proposed to fully implement the CESR classification of investors.
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Parliament	Chapter 1, section 4, paragraph 4 of the Securities Act	Commodity dealers are either investment firms or fall in the category described below in 10. b).
FRANCE	Decree of government	Decree 98-880 du 19 October 1998 on qualified investor. CMF regulator mentions this Decree as the definition of professional investor. This Decree will be modified in order to implement the Prospectus directive.	Qualified investor by nature on the same than in CESR Standard except the last two items. The implementation of this categorisation is in process through the transposition of the prospectus directive.
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament	Art. 2.7 of the Securities act: "Institutional investors: a. the following public parties: i. the National Treasury, ii. the Central Bank of Iceland, and iii. the Housing Loan Fund; b. the following parties with operating licences on the financial market: i. financial undertakings, ii. Undertakings for Collective Investment in Transferable Securities (UCITS) and investment funds, iii. insurance companies, and iv. pension funds; c. individuals and legal entities who specifically request such in writing to a financial undertaking authorised to trade in securities, provided they fulfill the requirements for professional knowledge, regular trading and substantial financial strength, as specified in detail in a Regulation.	
IRELAND	IFSRA	The Handbook for Investment Firms uses the FESCO criteria as at March 2000 for classification of professional clients for the purpose of all IFSRA imposed requirements.	
ITALY	CONSOB	Article 31 paragraph n. 2, of Consob Regulation 11522 (<i>Relationships between intermediaries and special categories of</i>	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the

		<i>investor)</i>	securities field to include commodity dealers in the category of professional investors.
LUXEMBOURG	CSSF	<p>According to the annex of the circular CSSF 2000/15 the following should all be regarded as professionals in all investment services and instruments described in the Annex of the ISD.</p> <p>a) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a European Directive, entities authorised or regulated by a Member State without reference to a European Directive, and entities authorised or regulated by a non-Member State:</p> <ul style="list-style-type: none"> - credit institutions, - investment firms, - other authorised or regulated financial institutions, - insurance companies, - collective investment schemes and management companies of such schemes, - pension funds and management companies of such funds. <p>b) National governments, Central Banks, international and supranational institutions such as the World Banks, the IMF, the ECB, the EIB and other similar international organisations.</p>	The CSSF plans to amend the circular CSSF 2000/15 during this year in order to adopt the categorisation of institutional investors as it is fixed in the FESCO document to the categorisation of institutional investors foreseen by CESR in 2002.
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY	Parliament ANSC	<p>STA, section 9-2 (para 2 (the fiduciary duties the firm owes to the customer varies depending on the level of professionalism of the customer)</p> <p>Ethical Norms, article 2-1 (all firms supervised by Kredittilsynet are considered professional investors, as well as investors who trade for large amounts, conduct may trades and have their own investment strategies or indicate that they do not want investment advice)</p> <p>and</p> <p>Gen. Business Terms Article 3</p>	STA section 9-2 para 2 may be clarified in a circular letter.
PORTUGAL		SC article 30	
SPAIN	Ministry of Economy/CNMV	<p>Securities Market Act. Art 64 y 71</p> <p>Royal Decree 629/1993 of 3 May governing rules of action in the securities markets and obligatory record-keeping. Art 1.Scope</p> <p>Royal Decree 291/1992 Issues and public offers of securities</p>	The Royal Decree 291/1992 regarding issues and public offers of securities establishes that pension funds, collective investment schemes, insurance companies, credit institutions and investment firms should be treated as institutional investors regarding the requirement of issues of securities directed only to them
SWEDEN	Finansinspektionen		No laws or regulations defining professional customers are implemented. Finansinspektionen follows a timetable for gradual implementation of the standards and rules. The first step was taken during 2002 with the implementation of some of the rules and the

			next step is due during 2004 when additional standards and rules will be implemented. The final step towards full implementation will start during 2004.
UNITED KINGDOM	FSA	<p>COB 4.1 Glossary</p> <p>COB 4.1.7R (Classification of another firm or an overseas financial services institution).</p> <p>COB 4.1.7R (1): If the firm's client is a firm or an overseas financial services institution, it will be an MCP, unless one of the following applies (in which case it will be an intermediate customer): COB 4.1.7R (2): where the activity carried on by the firm is potentially inter-professional business (as explained in the introduction to section C above), the client is acting for an underlying customer and the firm and the client have agreed that the firm should classify the client as an intermediate customer; or COB 4.1.7R (3): where the activity carried on by the firm is not potentially inter-professional business and the client has not indicated that it is acting on its own behalf in relation to that activity or is a long-term insurer acting on behalf of its life fund.</p> <p>COB 4.1.7R (4) & (5)</p> <p>Definition of "intermediate customer" in the Glossary.</p>	<p>The FSA Handbook adopts a three-stage approach to classification. The FSA classifies "clients" as either:</p> <ol style="list-style-type: none"> (1) private customers (similar to retail investors under the CESR regime); (2) intermediate customers (similar to professional investors under the CESR regime); and (3) market counterparties (MCPs). <p>This approach:</p> <ul style="list-style-type: none"> • generally provides more grounds than the CESR regime for determining that a client is a professional (i.e. intermediate customer or higher); • means that within COB itself (as opposed to the inter-professional code) additional derogations are provided where the client is an MCP; and • means that the inter-professional code has wider scope than the CESR counterparty regime, which only applies to proprietary trading. <p>In the FSA Handbook, credit institutions, investment firms, other authorised or regulated financial institutions and insurance companies will either be:</p> <ul style="list-style-type: none"> • "<i>firms</i>" - persons who are authorised by the FSA pursuant to FSMA or who have exercised the freedom to provide services or of establishment under the ISD, Banking Consolidation Directive or the Life or Non-Life Insurance Directive or under the Treaty; or • "<i>overseas financial services institutions</i>" (institutions authorised in an EEA State other than the UK by a competent body or in another country/territory by a regulatory body. <p>COB also provides that if a firm is aware of a person (A) acting as agent for another person (B), A is to be treated as the client if, for example, A is another firm or an overseas financial services institution, subject to an agreement to the contrary between the firm and A (COB 4.1.5R). This is consistent with paragraph 3 of the Introduction to CESR's paper on the Implementation of Article 11 of the ISD: Categorisation of Investors for the Purpose of Conduct of Business Rules, October 2001 (Ref. CESR/01-015).</p> <p>Collective investment schemes are classified as intermediate customers. All other collective investment schemes are intermediate customers.</p> <p>There are no special provisions dealing with the classification of management companies of collective investment schemes. Their</p>

			<p>classification depends on their characteristics, such as whether they are domestically regulated.</p> <p>The classification of pension funds will depend on their legal status. An occupational pension scheme or a stakeholder pension scheme established in the form of a trust, will be a private customer, unless it has (or at any time during the previous two years has had) at least 50 members and assets under management of at least £10 million.</p> <p>All other pension funds will be classified in accordance with their legal status (egg as insurance companies, foundations or other vehicles).</p> <p>There are no special provisions dealing with the classification of management companies of pension funds. Their classification depends on their characteristics, such as whether they are domestically regulated.</p> <p>There are no special provisions dealing with the classification of commodity dealers. Their classification depends on their characteristics, such as whether they are domestically regulated.</p> <p>The United Kingdom regulatory regime currently applies to activities relating to certain commodity derivatives that currently fall outside of the ISD.</p>
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Paragraph 2.1 of Part I of Annex 1 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC		Sect. 5 (2) of the Czech Securities Commission Act	
ESTONIA	The EFSA	<p>The SMA § 7: Each of the following is a professional securities market participant:</p> <ol style="list-style-type: none"> 1) an investment firm; 2) a credit institution; 3) an operator of the regulated market; 4) an operator of a securities settlement system; 5) other persons prescribed by law. <p>For the purposes of the SMA, an investment firm is a public limited company the permanent activity of which is to provide investment services to third parties whether separately from or together with non-core services.</p>	
HUNGARY	Parliament	point 53 of Subsection 1 of Section 5 of CMA	'institutional investor' means - credit institutions, investment enterprises, investment funds, investment fund managers, venture capital companies, venture capital funds, insurance institutions, the Voluntary Mutual Insurance Fund, private pension funds, the National Health Insurance Fund, and the National Pension Insurance Administration, - all non-residents who can be regarded as such under their national laws.
LATVIA			
LITHUANIA		<i>Professional investor</i> means a pension fund, an investment company, the management enterprise of a pension fund or an investment company, a credit institution, a financial brokerage	

		firm, an insurance firm, or any other person recognised as a professional investor by the Securities Commission on the basis of the person's ability to make adequate evaluation of investment risk (Art. 2.17 of the LSM).	
MALTA	MFSA	<p>The Glossary to the ISG includes a definition of a Non-Private customer as follows: "a term which is generally used to describe those who may be deemed to possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks they incur. The following should be regarded as Non-Private Customers:</p> <ul style="list-style-type: none"> i. entities authorised or regulated to operate in financial markets. Examples include: <ul style="list-style-type: none"> a. credit institutions/banks b. financial institutions c. investment services providers d. insurance companies e. collective investment schemes" 	<p>The definition makes no specific reference to pensions funds and their managers and commodity dealers because, currently, there are no such entities in Malta. Under local legislation ("the Investment Services Act, 1994) management companies require an investment services licence. Accordingly, for the purposes of the definition of non-Private customers in the ISG, management companies are considered to be investment services providers.</p>
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA	FMA	Act No 566/2001 on Securities and Investment Services	<p>Current legislation does recognize listed entities as legal persons or corporate entities. However, there is no provision which would recognise specific category of professional investors (the law does recognise just legal person (institutional investors) and natural person (non institutional investors) and set up a criteria for defining professional investors.</p>
SLOVENIA	Parliament	SMA-1; A: 10	<p>Investment firms are considered brokerage companies and banks holding license for performing investment services in the securities field.</p> <p>Other entities are defined by other legislation, namely the Investment funds and Management Companies Act, Pension Insurance Act, Insurance Act, Banking Act.</p> <p>According to the Banking Act (A: 2 and 3) A bank is a joint-stock company with a head office in the Republic of Slovenia that has obtained an authorisation from the Bank of Slovenia to provide banking services. The following financial services are banking services: 1. reception of deposits from legal and natural persons and granting credits from these resources for its own account 2. services that any other law stipulates may be provided only by banks.</p>

Standard 10 b	<p><i>Large companies ⁽⁵⁾ and other institutional investors:</i></p> <ul style="list-style-type: none"> • <i>large companies and partnerships meeting two of the following size requirements on a company basis:</i> <ul style="list-style-type: none"> • <i>balance sheet total : EUR 20.000.000</i> • <i>net turnover : EUR 40.000.000</i> • <i>own funds: EUR 2.000.000</i> • <i>Other institutional investors whose corporate purpose is to invest in financial instruments.</i> 		
Country	Implementing Authority(ies)	Implementing Measure ⁶	Comments
AUSTRIA			The size requirements in b) don't fit in the structure of Austrian economic and there are only a few companies which fulfil the size requirements.
BELGIUM			See comments at St. 10a
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Parliament	Chapter 1, section 4, paragraph 4 of the Securities Act.	There is no size requirement on a company basis. According to the Securities Markets Act Chapter 4, Section 4, Paragraph 5 on proposal by an association of investment firms, Rahoitustarkastus may confirm the grounds on which a client of an investment firm can be deemed to be a professional investor in this case. Rahoitustarkastus has confirmed such grounds here referred to as APVY. Rahoitustarkastus has been in a dialogue with the Ministry of Finance in implementing the CESR standards in this respect. Currently the Ministry of Finance is concentrating on negotiations of the new ISD proposal and is therefore not giving a new project in this sector a preference.
FRANCE		Decree 98-880 on qualified investor	The Decree authorises some private Companies to become qualified investor but with different thresholds.
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament	The definition of professional investor in art. 2.7 of the Act on Securities Transactions includes individuals and legal entities who specifically request to be viewed as professional investors and do so in writing to a financial undertaking authorised to	A regulation with detailed requirements is in preparation at the Ministry of Commerce. No expected date of issuance has been given.

⁽⁵⁾ Whilst CESR acknowledges that issuers of listed financial instruments, i.e. entities whose securities (equity instruments or other) are traded on a regulated market (within the meaning of article 1.13 of the ISD), should be treated as professional investors, Members are free to implement the categorisation of these issuers in line with the thresholds applicable to large companies and partnerships.

⁶ Any derogation to the application of the implementing measures should be mentioned.

		trade in securities, provided that they fulfill the requirements for professional knowledge, regular trading and substantial financial strength, as specified in detail in a regulation to be issued by the Ministry of Commerce.	
IRELAND			See St. 10a.
ITALY	CONSOB	Article 31 paragraph n. 2, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i>	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to include large companies and institutional investors in the category of professional investors.
LUXEMBOURG	CSSF	According to principle 13 of the annex of the circular CSSF 2000/15 the large companies and partnerships may be allowed to waive some of the protections afforded by the conduct of business rules subject to meeting two of the following size requirements: <ul style="list-style-type: none"> - balance sheet total: EUR 12,500,000; - net turnover: EUR 25,000,000; - average number of employees during the financial year: 250. 	The CSSF plans to amend the circular CSSF 2000/15 during this year in order to adopt the scales of definition of large companies and other institutional investors to the scales fixed in the CESR document of 2002.
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	Minister of Finance upon a CMVM proposal	Law	Implementation proposals currently in study
SPAIN	Ministry of Economy/CNMV	Circular 1/96 dated 27 March governing rules of action, transparency and identification of clients in securities market transactions, Art 9, Need of a standard contract.	The implementing measure regards to the need of standard contract for the deposit of securities represented by certificates or administration of securities represented by book entries when the following conditions are met: the nominal value of securities deposited or administered is less than 24.040 euros and the client is not a financial institution
SWEDEN			See 10 a)
UNITED KINGDOM		<p>Definition of “intermediate customer” in the Glossary. A body corporate will be an intermediate customer if: its shares have been listed or admitted to trading on any exchange in the EEA or the primary board of any IOSCO member country official exchange.</p> <p>A body corporate will be an intermediate customer if:</p> <ul style="list-style-type: none"> • it (or any of its holding companies or subsidiaries) has (or has had at any time during the previous two years) called up share capital or net assets of at least £5 million. <p>A partnership or unincorporated association that has (or has had at any time within the previous two years) net assets of at least £5 million.</p> <p>A trustee of a trust (other than an occupational pension scheme</p>	<p>The FSA test differs from the CESR test in that:</p> <ul style="list-style-type: none"> • listing or trading of relevant securities is sufficient - the CESR standards require trading to take place; • it only applies to shares - the CESR standards envisage that the trading of any equity or non-equity instruments is sufficient; • listing or trading on a much wider range of markets is taken into account – the CESR test only refers to markets that are “regulated markets” for the purposes of the ISD <p>The FSA test differs from the CESR test in that:</p> <ul style="list-style-type: none"> • the thresholds are significantly lower and sterling denominated; • the tests can be determined by reference to values in the last two years; • the test considers the assets or capital of the client’s holding

		<p>or stakeholder pension scheme – in relation to which, see above) that has (or has had at any time within the previous two years) assets of at least £10 million (calculated by aggregating the value of the cash and financial instruments forming part of the trust's assets but before deducting its liabilities).</p> <p>COB 4.1.8AR (Classification of an exchange of clearing house)</p>	<p>company or subsidiaries; and</p> <ul style="list-style-type: none"> the tests are based on called-up share capital or net assets, rather than any two of balance sheet, net turnover and own funds. <p>The FSA rules on the classification of professionals that are neither firms nor bodies corporate do not depend on whether the corporate purpose of the relevant entity is to invest in financial instruments.</p> <p>Regulated or designated markets and clearing houses can be categorised as MCPs or intermediate customers.</p>
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Paragraph 2.2 of Part I of Annex 1 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			Institutional investors: sect. 5 (1) of the Czech Securities Commission Act. Only these subjects and investment firms are partly exempt from the client regime of the Securities Act (see B.1)
ESTONIA	The EFSA.	<p>The SMA § 6 (2)-(4): For the purposes of the SMA, each of the following is a professional investor:</p> <ol style="list-style-type: none"> 1) a credit institution; 2) an insurance company or other insurer established by legislation; 3) an investment firm; 4) a management company; 5) an investment fund; 6) the Bank of Estonia; 7) the Republic of Estonia through the Ministry of Finance; 8) foreign central banks and other foreign persons who are deemed to be professional investors by the legislation of their respective states. <p>A financial institution not specified above which is regarded as a professional investor by a professional securities market participant and which has provided written confirmation thereof to the professional securities market participant is also a professional investor.</p> <p>The Minister of Finance may, by a regulation, establish a list of legal persons in public law, foundations and companies with state participation which are also deemed to be professional investors for the purposes of the SMA.</p>	
HUNGARY		See comments for paragraph 10 a).	
LATVIA			
LITHUANIA		Not specified	A size criterion is left for the discretion of Securities Commission to use it when recognizing the company as professional investor.
MALTA	MFSA	The definition of Non-Private Customers in the Glossary of the ISG also states that: “the following categories of investors may be treated as non-	Limits appear to be in line with previous FEFSI requirements.

		<p>Private Customers, upon request subject to the applicable criteria being satisfied:</p> <p>(i) large and institutional investors, consisting of:</p> <p>a. large companies and partnerships which satisfy at least two of the following criteria:</p> <ul style="list-style-type: none"> - balance sheet total of EUR12.5m - net turnover or EUR 25m - average number of employees of 250 <p>b. entities whose securities are traded on a regulated market;</p> <p>c. public sector bodies;</p> <p>d. institutional investors whose corporate purpose is to invest in financial instruments</p>	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA	MF and FMA		Neither large companies nor size requirements on large companies and partnerships are specified by the current legislation on securities and investment services in Slovakia at the moment
SLOVENIA	Parliament	<p>The Companies Act (Article 51)</p> <p>(1) Companies shall be classified as small, medium-sized and large on the basis of the following criteria:</p> <ul style="list-style-type: none"> - number of employees; - incomes; - average value of assets according to the annual financial statements for the last financial year. <p>(2) Small companies shall be those meeting at least two of the following criteria:</p> <ul style="list-style-type: none"> - the average number of employees does not exceed 50; - annual incomes are less than 200,000,000 tolar; - the average value of assets at the beginning and end of the financial year does not exceed 100,000,000 tolar. <p>(3) Medium-sized companies shall be those that cannot be classified as small companies and which meet at least two of the following criteria:</p> <ul style="list-style-type: none"> - the average number of employees does not exceed 250; - annual incomes are less than 800,000,000 tolar; - the average value of assets at the beginning and end of the financial year does not exceed 400,000,000 tolar. <p>(4) Large companies shall be those exceeding at least two of the criteria under the preceding paragraph; and in all cases the following shall be deemed to be large companies:</p> <ul style="list-style-type: none"> - banks; - insurance organisations; - associated companies within the meaning of Article 460 of this Act which in accordance with Article 60 of this Act are obliged to submit consolidated annual statements. 	<p>Exchange rate as per Nov.8, 2003 is</p> <p>1 EUR = 235,8652 SIT</p> <p>SIT = Slovene Tolar</p>

Standard 10 c			
<i>National and regional governments, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.</i>			
Country	Implementing Authority(ies)	Implementing Measure ⁷	Comments
AUSTRIA			
BELGIUM			See comments at St. 10a
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Parliament	Chapter 1, section 4, paragraph 4 of the Securities Act.	Rahoitustarkastus has been in dialogue with the Ministry of Finance in implementing the CCSR standards in this respect. Currently the Ministry of Finance is concentrating on negotiations of the new ISD proposal and is therefore not giving a new project in this sector a preference.
FRANCE			
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CCSR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament	The definition of professional investor in art. 2.7 of the Act on Securities Transactions includes the National Treasury, the Central Bank of Iceland and the Housing Loan Fund. National and regional governments in general and so forth are not included in the definition.	
IRELAND			See St. 10a.
ITALY	CONSOB		Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to include these entities in the category of professional investors.
LUXEMBOURG	CSSF	See 10 a) in fine	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL		SC article 30	
SPAIN			This standard is not implemented in Spanish regulation
SWEDEN			See 10 a)
UNITED KINGDOM		Definition of “market counterparty” in the glossary. COB 4.1.12R (large intermediate customer classified as a market counterparty)	These entities will generally be categorised as MCPs. However, in the case of “regional governments” the FSA Handbook distinguishes between: <ul style="list-style-type: none"> • local authorities, which are intermediate customers; and • properly constituted governments of any territory, which are

⁷ Any derogation to the application of the implementing measures should be mentioned.

			<p>market counterparties.</p> <p>The FSA definition of an MCP also includes:</p> <ul style="list-style-type: none"> • quasi-governmental bodies and government agencies; • national monetary authorities, state investment bodies and bodies charged with, or intervening in, the management of the public debt that are not central banks; • associates of firms or of an overseas financial institution, if the firm or institution consents; and • certain larger companies and entities who would otherwise be intermediate customers, where the firm has provided a written notice of its intent to re-classify the client and of the protections the client will lose under the regulatory system as a result and the client has not notified the firm that it objects to this re-classification. <p>This re-classification mechanism does not apply where the client is a firm or an overseas financial services institution.</p>
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Paragraph 2.1(b) of Part I of Annex 1 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			<p>Institutional investors: sect. 5 (1) of the Czech Securities Commission Act. Only these subjects and investment firms are partly exempt from the client regime of the Securities Act (see B.1)</p> <p>No specific rule.</p>
ESTONIA			See St. 10b
HUNGARY		See comments for paragraph 10 a).	
LATVIA			
LITHUANIA		Not specified	These entities are not directly defined as professional investors by the law, however, the construction of the legal framework indirectly recognises them as professionals, i.e. some of the protection regime does not apply to them.
MALTA	MFSA	The definition of Non-Private Customers in the Glossary of the ISG also includes: National governments, central banks; international and supranational institutions/ organizations (e.g. IMF; ECB; World Bank)	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			See St. 10b
SLOVENIA		Not implemented.	

Standard 11			
<p><i>The entities mentioned in §10 are considered to be professionals. They must however be allowed to request non-professional treatment and investment firms may agree to provide a higher level of protection. Where the customer of an investment firm is a company or a partnership referred to in §10, the investment firm must inform it prior to any provision of services that, on the basis of the information available to the firm, the customer is deemed to be professional investor, and will be treated as such unless the firm and the customer agree otherwise. The firm must also inform the customer that he can request a variation of the terms of the agreement in order to secure a higher degree of protection.</i></p>			
Country	Implementing Authority(ies)	Implementing Measure ⁸	Comments
AUSTRIA			
BELGIUM			See comments at St. 10a
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Parliament APVY/Rahoitustarkastus	Chapter 4, section 3a, paragraph 1 of the Securities Act. APVY Definition of Professional Investor	According to the civil law principles (freedom of contract), parties to the contract may agree upon the better investor protection than otherwise provided by the law. APVY states that despite of the professional status of a particular customer, an investment firm is always required to act in the best interest of the customer for example by providing the customer with adequate and essential information if an investment firm finds it necessary or if the customer so requests. Rahoitustarkastus has been in a dialogue with the Ministry of Finance in implementing the CCSR standards in this respect. Currently the Ministry of Finance is concentrating on negotiations of the new ISD proposal and is therefore not giving a new project in this sector a preference.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CCSR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament		
IRELAND			See St. 10a.
ITALY	CONSOB	Article 21, paragraph n. 1, a) of Legislative decree n. 58/1998 <i>(General criteria)</i> Article 31 paragraph n. 1, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i> 1. Except as provided for by specific statutory provisions <u>and unless agreed otherwise by the parties</u> , in the relationships between authorized intermediaries and professional investors the	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to clarify the specific obligations arising from the general principles laid down in the provisions at present in force.

⁸ Any derogation to the application of the implementing measures should be mentioned.

		following provisions shall not apply: (...).	
LUXEMBOURG	CSSF	According to the annex of the circular CSSF 2000/15 investors who are considered to be professionals must be allowed to request non-professional treatment and investment firms may agree to provide a higher level of protection.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN	Ministry of Economy/CNMV	Royal Decree 291/1992, 27 March. Issues and offers for sale. Arts. 5-7. Circular 1/1996. Arts. 9-12	In certain cases there is no need of standard contract.
SWEDEN			See 10 a)
UNITED KINGDOM	FSA	COB 4.1.14R (client classified as a private customer)	Notwithstanding any of the rules concerning classification that are referred to above, this rule provides that a firm may classify as a private customer any client who would otherwise be an intermediate customer or a market counterparty. The words “They must however be allowed to request non-professional treatment and investment firms may agree to provide a higher level of protection” imply that it is open to the firm to refuse to re-classify the client, which is the position under COB 4.1.14R. This is supported by the statement in the penultimate sentence that the customer will be treated as a professional customer “unless the firm and the customer agree otherwise”. Classification as a private customer pursuant to this rule will not provide a customer with access to the UK’s Financial Ombudsman Service or Financial Services Compensation Scheme where they would not otherwise have been so entitled. There are no equivalents under the FSA Handbook of the information requirements under the last two sentences of paragraph 11 where a company or partnership is classified as an intermediate customer under the general classification provisions. It may make no difference that the FSA rule does not refer to the customer’s right to “request non-professional treatment” because a client can always “request” anything it wants.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 13 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	The last sentence (“The firm must also inform the customer that he can request a variation of the terms of the agreement in order to secure a higher degree of protection”) is not covered. It will be expressly provided for in the forthcoming amendments to the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003, which are expected to be issued by the end of the first quarter of 2004.
CZECH REPUBLIC			No specific rule
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	

MALTA	MFSA	SLC 3.01 of Part C1 of the ISG states that “A customer shall be treated as a Private Customer unless he has clearly elected not to be. “ SLC 3.06 of Part C 1 of the ISG, which relates to the customer agreement also states, <i>inter alia</i> , that “Unless the agreement specifies to the contrary, the customer will be deemed to be a private customer.” This implies that the presumption is that all the clients of an investment firm are private clients (unsophisticated/ non-professional investors) and that it is the client himself which must request to be treated as a Non-Private Customer by the investment firm. Accordingly, the option rests with the client and the investment firm is not in a position to decide to treat some of its clients as Non-Private Customers without the latter’s’ specific request.	There is no specific requirement for the investment firm to inform the customer that he can request a variation of the terms of the agreement in order to secure a higher protection.
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			See St. 10b.
SLOVENIA		Professional and non-professional treatment is already solved in the new Investment Funds and Management Companies Act.	

Standard 12			
<i>It is the responsibility of the client considered to be a professional investor to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved.</i>			
Country	Implementing Authority(ies)	Implementing Measure⁹	Comments
AUSTRIA			
BELGIUM			See comments at St. 10a
DENMARK			Not implemented
FINLAND	Parliament APVY/Rahoitustarkastus	Chapter 4, Section 1 of the Securities Act. APVY Definition of Professional Investor	APVY states that despite of the professional status of a particular customer, an investment firm is always required to act in the best interest of the customer for example by providing the customer with adequate and essential information if an investment firm finds it necessary or if the customer so requests. Rahoitustarkastus has been in a dialogue with the Ministry of Finance in implementing the CCSR standards in this respect. Currently the Ministry of Finance is concentrating on negotiations of the new ISD proposal and is therefore not giving a new project in this sector a preference.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CCSR Standards on Investor Protection. We expect the final

⁹ Any derogation to the application of the implementing measures should be mentioned.

			outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament		
IRELAND			See St. 10a.
ITALY	CONSOB	Article 31 paragraph n. 1, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i> 1. Except as provided for by specific statutory provisions <u>and unless agreed otherwise by the parties</u> , in the relationships between authorized intermediaries and professional investors the following provisions shall not apply: (...).	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to clarify the specific obligations arising from the general principles laid down in the provisions at present in force.
LUXEMBOURG		As principle 11 of the annex of the circular CSSF 2000/15 contains the exact same wording of principle 12 of this questionnaire, this principle 12 is fulfilled.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN	Ministry of Economy/CNMV	Royal Decree 291/1992, 27 March. Issues and offers for sale. Arts. 5-7. Circular 1/1996. Arts. 9-12	(see Standard 11)
SWEDEN			See 10 a)
UNITED KINGDOM	FSA		There is no express provision to this effect in the FSA Handbook, which deals with the responsibilities of firms rather than clients. However, this is implicitly the position, because there is no provision imposing such a requirement on the firm.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 13 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No specific rule
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	
MALTA	MFSA	See reply to St. 11 above. The client should not elect to be considered as a Non-Private customer by the investment firm if it deems itself to be unable to properly assess or manage the risks involved.	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			See St. 10b.
SLOVENIA		Not implemented.	

Standard 13	<i>This higher level of protection will be provided when an investor who is considered to be a professional enters into a written agreement with the investment firm to the effect that it shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement should specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.</i>		
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Country	Implementing Authority(ies)	Implementing Measure ¹⁰	Comments
AUSTRIA			
BELGIUM			See comments at St. 10a
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Parliament APVY/Rahoitustarkastus	Chapter 4, Section 1 of the Securities Act. APVY Definition of Professional Investor	According to Securities Markets Act Chapter 4, Section 2, Paragraph 1, the liability to conclude a contract in writing does not apply to an investment firm when the investment service is provided to a professional investor. According to the definition of professional investor in the Securities Markets Act an investor is either fully professional or fully non-professional. According to the civil law principles (freedom of contract), parties to the contract may agree upon the better investor protection than otherwise provided by the law. APVY states that despite of the professional status of a particular customer, an investment firm is always required to act in the best interest of the customer for example by providing the customer with adequate and essential information if an investment firm finds it necessary or if the customer so requests. Rahoitustarkastus has been in a dialogue with the Ministry of Finance in implementing the CCSR standards in this respect. Currently the Ministry of Finance is monitoring the developments of the new ISD proposal and is not giving a new project in this sector a preference.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CCSR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament		
IRELAND			See St. 10a.
ITALY	CONSOB	Article 21, paragraph n. 1, a) of Legislative decree n. 58/1998 <i>(General criteria)</i> Article 31 paragraph n. 1, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i> 1. Except as provided for by specific statutory provisions <u>and unless agreed otherwise by the parties</u> , in the relationships between authorized intermediaries and professional investors the	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to clarify the specific obligations arising from the general principles laid down in the provisions at present in force.

¹⁰ Any derogation to the application of the implementing measures should be mentioned.

		following provisions shall not apply: (...).	
LUXEMBOURG		As principle 11 of the annex of the circular CSSF 2000/15 contains the exact same wording of principle 13 of this questionnaire, this principle 13 is fulfilled.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN	Ministry of Economy/CNMV	Royal Decree 291/1992, 27 March. Issues and offers for sale. Arts. 5-7. Circular 1/1996. Arts. 9-12	(see standard 11)
SWEDEN			See 10 a)
UNITED KINGDOM	FSA		See the comments in relation to paragraph 11 above. There is no requirement for the firm and the client to enter into a written agreement.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 13 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No specific rule
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	
MALTA	MFSA	See reply to St. 11 above. Moreover, SLC 3.06 of Part CI of the Investment Services Guidelines, states that where the agreement states that the customer is not to be treated as a Private Customer, the agreement shall also state that the level of protection afforded to the customer is lower than that offered to a Private Customer.	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			See St. 10b.
SLOVENIA		Not implemented.	

2. Categories of investors who may be treated as professionals on request

2.1. Identification criteria

Standard 14			
<i>The members of CESR consider that investors other than those mentioned in § 10, including public sector bodies ⁽¹¹⁾ and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules. Investment firms should therefore be allowed to treat any of the above investors as professionals provided the relevant criteria and procedure mentioned below are fulfilled. These investors should not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed in §10.</i>			
Country	Implementing Authority(ies)	Implementing Measure ¹²	Comments
AUSTRIA	AFEC	1. Guideline for implementation the conduct of business rules laid down in the ASSA (17.3.1998)	The ASSA lays down that the obligation to request information from their customers is only required to the extent necessary to safeguard the interests of the customers and in the light of the nature and scope of the contemplated transactions. Point 1 of the GL interpreted this as a restriction for the field of application of the ASSA for professional market participants, which means the request of information is not necessary and advised only on request of the professional market participant.
BELGIUM			See comments at St. 10a
DENMARK			Not implemented
FINLAND	Parliament APVY/Rahoitustarkastus	Chapter 1, Section 4, Paragraph 4, subparagraph 9 of the Securities Act. APVY Definition of Professional Investor	APVY states 1) that the above mentioned category covers legal entities, foundations and natural persons. 2) that an investment firm is under an obligation to assess the fulfilment of the relevant criteria in each individual case.
FRANCE		Not implemented	The law implementing the ISD does not authorises such
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament	The definition of professional investor in art. 2.7 of the Act on Securities Transactions includes individuals and legal entities who specifically request to be viewed as professional investors and do so in writing to a financial undertaking authorised to trade in securities, provided that they fulfill the requirements for professional knowledge, regular trading and substantial financial strength, as specified in detail in a regulation to be issued by the Ministry of Commerce.	A regulation with detailed requirements is in preparation at the Ministry of Commerce. No expected date of issuance has been given.
IRELAND			See St. 10a.
ITALY	CONSOB	Article 31 paragraph n. 2, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i>	
LUXEMBOURG	CSSF	Principle 17 and following of the circular CSSF 2000/15 describe the procedure of waiver of protections afforded by the conduct of	

⁽¹¹⁾ It should be noted that public sector bodies are subject to specific regulations that might prevent them from entering into certain types of transactions or opting for the professional conduct of business regime.

¹² Any derogation to the application of the implementing measures should be mentioned.

		business rules.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN			This standard is not implemented in the Spanish regulation
SWEDEN			See 10 a)
UNITED KINGDOM	FSA	COB 4.1.9R (Expert private customer classified as an intermediate customer).	This rule allows a firm to re-classify a customer who would otherwise be a private customer as an intermediate customer if it follows the procedure referred to in the comments on paragraphs 15 & 16 below. A private customer who is reclassified as an intermediate customer under COB 4.1.9R will be treated in the same way as any other intermediate customer in relation to the matters for which they have been re-classified.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 14 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No such possibility
ESTONIA		The SMA § 6 (3).	
HUNGARY			
LATVIA			
LITHUANIA		<i>Professional investor</i> means a pension fund, an investment company, the management enterprise of a pension fund or an investment company, a credit institution, a financial brokerage firm, an insurance firm, or any other person recognised as a professional investor by the Securities Commission on the basis of the person's ability to make adequate evaluation of investment risk (Art. 2.17 of the LSM).	Other entities may be recognised as professionals by the Securities Commission thus obtaining the status of professional investor.
MALTA	MFSA	In terms of SLC 3.01 (b) of Part CI of the ISG, before accepting an instruction from a customer to be treated as a non-Private Customer, the investment firm shall gather such information, concerning the customer so as to reasonably believe that the customer has sufficient experience and understanding to make it appropriate to treat him as a non-Private Customer. For this purpose, the investment firm shall have regard to the definition of non-Private Customer in the Glossary to the ISG. Also refer to our answer to St. 10(b) above – Definition of Non-Private Customer	There is no distinction between the level of expertise and market knowledge possessed by the persons indicated in question 10 and other persons opting to be considered as non-Private clients.
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			
SLOVENIA		Not implemented.	The new Securities Market Act will define the topics, namely the definition of professional investor. All the details concerning the status and other issues of professional investor will be defined by secondary legislation by the Agency. However the Act is only in the process of Government preparation and the final solution is not yet

			known.
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Standard 15	<p><i>Any such waiver of the protection afforded by the standard conduct of business regime shall be considered valid only if an adequate assessment of the expertise, experience and knowledge of the client, undertaken by the investment firm, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making his own investment decisions and understanding the risks involved.</i></p> <p><i>The fitness test applied to managers and directors of entities licensed under European Directives in the financial field could be regarded as an example of the assessment of expertise and knowledge. In the case of small entities, the person subject to the above assessment should be the person authorised to carry out transactions on behalf of the entity.</i></p>		
Country	Implementing Authority(ies)	Implementing Measure ¹³	Comments
AUSTRIA	AFEC	Guideline for implementation the conduct of business rules laid down in the ASSA (17.3.1998)	At the beginning of a business relationship the investment firm has to classify a customer as a professional market participant, which only works out if the investment firm request information about expertise, experience and knowledge of the client.
BELGIUM			See comments at St. 10a
DENMARK			Not implemented
FINLAND	Parliament APVY/Rahoitustarkastus	Chapter 4, Section 3a, Paragraph 1 of the Securities Act. APVY Definition of Professional Investor	APVY states that an investment firm is under an obligation to assess the fulfilment of the relevant criteria (expertise, experience and knowledge) in each individual case.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament	See above.	
IRELAND			See St. 10a.
ITALY	CONSOB	<p>Article 21, paragraph n. 1, a) of Legislative decree n. 58/1998 <i>(General criteria)</i></p> <p>Article 31 paragraph n. 2, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i></p> <p>2. Professional investors shall mean (...), <i>financial salesmen, natural persons who document their possession of the professional qualifications referred to in the Consolidated Law for persons performing administrative, managerial or control functions in SIMs, (...).</i></p>	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to clarify the specific obligations arising from the general principles laid down in the provisions at present in force.
LUXEMBOURG	CSSF	Principle 19 of the circular CSSF 2000/15 provides that before deciding to accept any request for waiver, investment firms must be required to take all reasonable steps to ensure that the client requesting to be treated as a professional investor meets the relevant requirements stated in the said circular	

¹³ Any derogation to the application of the implementing measures should be mentioned.

NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN			This standard is not implemented in the Spanish regulation
SWEDEN			See 10 a)
UNITED KINGDOM	FSA	COB 4.1.9R - 4.1.11G (Expert private customer classified as an intermediate customer).	The re-classification referred to in the comments on paragraph 14 may only be made if the firm has taken reasonable care to determine that the client has sufficient experience and understanding to be classified as an intermediate customer (detailed guidance is given on the factors the firm should take into account in reaching this determination). These factors include: <ul style="list-style-type: none"> • the client's knowledge and understanding of the relevant designated investments, markets and risks involved; • the length of time that the client has been active in these markets, frequency of his dealings and the extent of his reliance on the firm's advice; • client's financial standing; • the size and nature of transactions that have been undertaken for the client in these markets.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 14(2)(a) of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No such possibility
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not specifically regulated	
MALTA	MFSA	See answer to St. 14 above and to St. 16 below. The MFSA carries out a fit and proper test in respect of persons within the investment firm who are authorised to provide portfolio management services and to provide investment advice. The competence of such persons forms part of the fit and proper test and MFSA must be satisfied of the competence of the person concerned prior to the issue of its authorisation to provide the services mentioned above.	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			
SLOVENIA		Not implemented.	

Standard 16	<p><i>In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:</i></p> <ul style="list-style-type: none"> <i>The investor has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;</i> <i>The size of the investor's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds 0,5 million Euro;</i> <i>The investor works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.</i> 		
Country	Implementing Authority(ies)	Implementing Measure ¹⁴	Comments
AUSTRIA	AFEC AFEC	Guideline for implementation the conduct of business rules laid down in the ASSA (17.3.1998)	At the beginning of a business relation ship the investment firm has to classify a customer as a professional market participant, which only works out if the investment firm request information about expertise, experience and knowledge of the client. The concrete detail of 16 will be implemented as market standard.
BELGIUM			See comments at St. 10a
DENMARK			Not implemented
FINLAND	APVY/Rahoitustarkastus	APVY Definition of Professional Investor	No requirement for - minimum work experience - minimum amount of transactions in a certain period of time - minimum criteria for the size of the portfolio
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament	See above. Detailed criteria have still to be defined in regulation.	
IRELAND			See St. 10a.
ITALY	CONSOB	<p>Article 31 paragraph n. 2, of Consob Regulation 11522 <i>(Relationships between intermediaries and special categories of investor)</i></p> <p>2. Professional investors shall mean (...), <i>financial salesmen, natural persons who document their possession of the professional qualifications referred to in the Consolidated Law for persons performing administrative, managerial or control functions in SIMs, (...).</i></p>	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to introduce the quantitative criteria provided for by rule 16.
LUXEMBOURG	CSSF	According to principle 16, as a minimum two of the following criteria should be satisfied as defined in principle 16. Two of them are exactly the same as those in principle 16 of this questionnaire and there is also the third one which is as follows: the investor works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the	

¹⁴ Any derogation to the application of the implementing measures should be mentioned.

		transactions or services envisaged.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN	Ministry of Economy/CNMV		This standard is not implemented in the Spanish regulation
SWEDEN			See 10 a)
UNITED KINGDOM	FSA		Please see the comments on 15, above. These matters would all be relevant in determining whether the client has sufficient experience and understanding to be classified as an intermediate customer. However, no minimum quantitative tests of this nature are imposed under the FSA Rules.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 14(3) of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No such possibility
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	In practise, the securities commission takes into consideration such criteria when recognising the person as professional.
MALTA		The definition of Non-Private Customers in the Glossary of the ISG also states that: The following may be treated as non-Private Customers upon request, subject to the applicable criteria being satisfied: (ii) other investors – private individual investors having the expertise, experience and knowledge to be in a position to make their own investment decisions and understand the risks involved. At least two of the following criteria need to be satisfied for a client to be considered as a professional investor under this category: a. the investor has carried out investment transactions in significant size at a certain frequency; b. the size of the investor’s portfolio exceeds EUR 0.5m c. the investor has certain relevant work experience (for example, has worked in the financial sector for at least one year in a professional position).	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			
SLOVENIA		Not implemented.	

2.2. Procedure

Standard 17	<p><i>The investors defined above may waive the benefit of the detailed rules of conduct only where the following procedure is followed:</i></p> <p><i>a) they must state in writing to the investment firm that they wish to be treated as a professional investor, either generally or in respect of a particular investment service or transaction, or type of transaction or product;</i></p> <p><i>b) the investment firm must give them a clear written warning of the protections and investor compensation rights they may lose;</i></p> <p><i>c) they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.</i></p>		
Country	Implementing Authority(ies)	Implementing Measure ¹⁵	Comments
AUSTRIA	AFEC		The concrete procedure process will be implemented as market standard.
BELGIUM			See comments at St. 10a
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Comment 1): Parliament Comments 2) and 3): Rahoitustarkastus	Chapter 1, Section 4, Paragraph 4, subparagraph 9 of the Securities Act. Section 46, Paragraph 2 of the Act on Investment Firms	No precise provisions as to 1) be treated as a professional investor in general or only partially 2) the requirement of a written warning 3) point c Rahoitustarkastus has been in a dialogue with the Ministry of Finance in implementing the CCSR standards in this respect. Currently the Ministry of Finance is monitoring the developments of the new ISD proposal and is not giving a new project in this sector a preference. The Rahoitustarkastus regulations and guidelines are currently under general restructuring and revision. The need for specifying provisions concerning the conduct of business rules is under discussion in that project. The consultation paper is scheduled to be sent out for consultation in early 2004.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CCSR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament		
IRELAND			See St. 10a.
ITALY	CONSOB		Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field which transposes this specific provision.
LUXEMBOURG	CSSF	Both principle 17 (large and institutional investors) and principle 18 (other investors) of the circular CSSF 2000/15 require that after being informed by writing of the protections they will lose, “large and institutional investors” and “other	

¹⁵ Any derogation to the application of the implementing measures should be mentioned.

		investors” may waive some of the protections afforded by the conduct of business rules. Principle 18 requires furthermore for “other investors” that the investor must in a separate document from the contract, state in writing he is aware of the consequences of losing such protections.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN			This standard is not implemented in the Spanish regulation
SWEDEN			See IO a)
UNITED KINGDOM	FSA	COB 4.1.9R - 4.1.11G (Expert private customer classified as an intermediate customer). CIOB 4.1.9R (1): provides that before re-classifying a private client as an intermediate client pursuant to the procedure referred to in the comments on paragraph 14, the firm must: <ul style="list-style-type: none"> • give a written warning to the client of the protections under the regulatory system that he will lose; and • give the client sufficient time to consider the implications of being classified as an intermediate customer; and • obtain the client’s written consent to being classified as an intermediate customer or be otherwise able to demonstrate that informed consent has been given. 	The FSA procedure does not: <ul style="list-style-type: none"> • require the written consent of the client to be provided in all cases; and • does not require the client to acknowledge in a separate document that they are aware of the protections they are losing.
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Section 15 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No such possibility
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	According to effective legal framework, Securities Commission is entitled to recognise a person as professional, however, the nature of relationship between brokerage firm and its client in this regard as well as relevant procedures are not established in legal acts.
MALTA	MFSA	a) In terms of SLC 3.01 of Part C I of the ISG, a customer shall be treated as a Private Customer unless he has clearly elected not to be. Furthermore, SLC 3.06 which relates to the customer agreement also requires that where the agreement states that the customer is to be treated as a private customer, the agreement shall also state the level of protection afforded to the customer is lower than that afforded to a Private customer b) In terms of SLC 3.01(a) of Part CI of the ISG, before accepting an instruction from a customer to be treated as a non-Private customer, the investment firm shall warn the customer in writing that the level of protection offered to him will be	

		lower than that offered to a Private Customer. c) Not catered for in our rules.	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			
SLOVENIA		Not implemented.	

Standard 18	<i>Before deciding to accept any request for waiver, investment firms must be required to take all reasonable steps to ensure that the client requesting to be treated as a professional investor meets the relevant requirements stated in Section II.1 above. However, if investors have already been categorised as professionals under parameters and procedures similar to those above, it is not intended that their relationships with investment firms should be affected by any new rules adopted pursuant to this paper.</i>		
Country	Implementing Authority(ies)	Implementing Measure¹⁶	Comments
AUSTRIA			
BELGIUM			See comments at St. 10a
DENMARK			Not implemented
FINLAND	Parliament APVY/Rahoitustarkastus	Chapter 4, Section 3a, Paragraph 1 of the Securities Act. APVY Definition of Professional Investor	APVY states that an investment firm is under an obligation to assess the fulfilment of the relevant criteria (expertise, experience and knowledge) in each individual case.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament		
IRELAND			See St. 10a.
ITALY	CONSOB	Article 21, paragraph n. 1, a) and b) of Legislative decree n. 58/1998 <i>(General criteria)</i>	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to clarify the specific obligations arising from the general principles laid down in the provisions at present in force.
LUXEMBOURG	CSSF	Principle 19 of the circular CSSF 2000/15 contains the same wording and thus the same requirements as principle 18 of this questionnaire.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN			This standard is not implemented in the Spanish regulation
SWEDEN			See 10 a)
UNITED KINGDOM	FSA		See the comments in relation to paragraph 15 above.
CYPRUS	Cyprus Securities and	Section 14 of the Code of Business Conduct for Investment Firms	

¹⁶ Any derogation to the application of the implementing measures should be mentioned.

	Exchange Commission and the Central Bank of Cyprus	and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No such possibility
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	
MALTA		See answers to St. 14 and 16 above.	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			
SLOVENIA		Not implemented.	

Standard 19	<i>Firms must implement appropriate written internal policies and procedures to categorise investors. Professional investors are responsible for keeping the firm informed about any change, which could affect their current categorisation. Should the investment firm become aware however that the investor no longer fulfils the initial conditions, which made him eligible for a professional treatment, the investment firm must take appropriate action.</i>		
Country	Implementing Authority(ies)	Implementing Measure¹⁷	Comments
AUSTRIA			
BELGIUM		See comments above	
DENMARK			The Ministry of Economic and Business Affairs is the competent Authority for deciding on the further implementation. The Danish Financial Supervisory Authority has approached the Ministry of Economics and Business Affairs in that regard
FINLAND	Parliament Ministry of Finance Rahoitustarkastus APVY	Section 10 and 12 of the Act on Investment Firms. Decree of the Ministry of Finance on the Contents of the Application for Authorisation of an Investment Firm Section 10 Chapter 4, Section 1 of the Securities Markets Act. APVY Definition of Professional Investor	No precise provisions for taking appropriate measures in case the initial conditions have changed. APVY states that despite of the professional status of a particular customer, an investment firm is always required to act in the best interest of the customer for example by providing the customer with adequate and essential information if an investment firm finds it necessary or if the customer so requests. The Rahoitustarkastus regulations and guidelines are currently under general restructuring and revision. The need for specifying provisions concerning the conduct of business rules is under discussion in that project. The consultation paper is scheduled to be sent out for consultation in early 2004.
FRANCE		Not implemented	
GERMANY			
GREECE			An Internal Working Group of Experts has been established within the Hellenic Capital Market Commission aiming at preparing the remaining additional regulations for the full implementation of CESR Standards on Investor Protection. We expect the final

¹⁷ Any derogation to the application of the implementing measures should be mentioned.

			outcome of this work to be available at the beginning of 2004.
ICELAND	Parliament		
IRELAND			
ITALY	CONSOB	Article 56, paragraph n. 2, a) of Consob Regulation 11522 <i>(Internal procedures)</i>	Consob has already published for consultation a revision of its regulation n. 11522 of 1 July 1998 on investment services in the securities field to clarify the specific obligations arising from the general principles laid down in the provisions at present in force.
LUXEMBOURG	CSSF	Principle 20 of the circular CSSF 2000/15 contains the same wording and thus the same requirements as principle 19 of this questionnaire.	
NETHERLANDS	Ministry of Finance or AFM: deliberations are pending	uncertain: depending on outcome of deliberations with ministry of finance	
NORWAY			
PORTUGAL	CMVM	Regulation	Implementation proposals currently in study
SPAIN			This standard is not implemented in the Spanish regulation
SWEDEN			See 10 a)
UNITED KINGDOM	FSA	SYSC 3.2.6R & 3.2.7G (Compliance)	There is no express requirement that the systems and control should involve written internal policies and procedures, although this is implicit. Further, SYSC 3.2.6R requires firms to take reasonable care to establish and maintain effective systems and controls for compliance with applicable regulatory requirements and standards. There is no direct equivalent of this provision in the FSA Handbook. However, where: <ul style="list-style-type: none"> • a private customer has been re-classified as an intermediate customer; or • an intermediate customer has been re-classified as a market counterparty, the firm must review that classification at least annually to ensure that it remains appropriate to amongst other things the investment services the firm provides to, and the investment activities the firm performs with, that client
CYPRUS	Cyprus Securities and Exchange Commission and the Central Bank of Cyprus	Sections 12 and 16 and Annex 1 of the Code of Business Conduct for Investment Firms and the Natural Persons employed by them, Directive 1/2003	
CZECH REPUBLIC			No such possibility
ESTONIA		Not implemented.	
HUNGARY			
LATVIA			
LITHUANIA		Not regulated	
MALTA		This is not specifically catered for in local rules. However, please refer to our reply to St. 14.	
POLAND		The PSEC is now discussing possible method and form for the implementation of the mentioned standard.	
SLOVAKIA			

SLOVENIA		Not implemented.	
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