



### **Client Classification - Retail & Professional Investors**

In the regulations the definition of a Retail Investor is an Investor who is not a Professional Investor. A professional client is either an elective professional client or a per se professional client – see COBS 3.5.

MIFID changes the client classification requirements of local authorities. The default classification of a local authority is now “retail”.

It is common practice for TA’s to treat all investors as “retail” unless they fall into one of the easily identifiable and unambiguous categories of per se Professional Investor – see COBS 3.5.2 e.g. authorised or regulated financial institutions in category 1C.