



# CLIENT CATEGORISATION AND REGULATORY PROTECTIONS

This Policy for the Management of Client Categorisation and Regulatory Protection has been updated as of November 2025 and shall remain effective until a more recent version is released. Safecap Investments Ltd reserves the right to amend or supplement this policy at any time. This Policy does not replace our Investment Services Agreement (Terms and Conditions of Trading) which we ask that you read carefully before you enter into any trading. The prevailing version of this Policy is always available on our website <https://www.scapfx.com/>

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This Policy describes how Safecap Investments Ltd classifies clients into the categories available under Applicable Laws and Regulations (as defined herein below) and what protections or loss of protections apply with the different client classifications. If any terms of this Policy are unclear to you, you should seek independent legal advice. Please contact us for any questions you may have by using the [Online Contact Form](#).

Safecap Investments Ltd ("**Safecap**") is a regulated investment services firm, authorized in the conduct of its activities by the Cyprus Securities and Exchange Commission ("**CySEC**") under license number 092/08.

Safecap's registered address is 10 Simonides Street, CYPRESS TOWER, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Strovolos, 2046 Nicosia, Cyprus.

SCAPFX is the brand and trademark owned and used by Safecap.

Safecap has the sole and exclusive use of the domain "www.scapfx.com".

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## 1. INTRODUCTION

### Scope

This Document on Client Categorisation and Regulatory Protections sets out the regulatory requirements for these areas.

Specifically, this Document, describes how Safecap classifies clients into the categories available under Applicable Laws and Regulations (as defined herein below) and what protections or loss of protections apply with the different client classifications

This Document forms part of the Customer Legal Documents Pack between Safecap and any client or prospective client.

### Our business activities

Safecap's business relates to enabling primarily retail clients to trade Contracts for Difference ("CFDs") via our online trading platforms. We effectively receive, transmit and execute clients' orders in CFDs.

We act at all times as Principal (counterparty) to the trading of our clients.

**This Document relates solely to the client classifications we use when we provide the above services under our Investment Services Agreement which are those of Retail and Professional clients. This Document does not relate to client classifications (including the Eligible Client classification) when we provide any other services, such as hedging and risk mitigation services, to clients that may be regulated investment institutions or brokers.**

## 2. THE LEGAL AND REGULATORY FRAMEWORK UNDER WHICH THIS DOCUMENT IS ISSUED AND IMPLEMENTED

This Document is issued pursuant to, and in compliance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID II"), the Law of the Republic of Cyprus No 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which transposed MiFID II into Cyprus legislation.

In this Document, we collectively refer to the above as the "**Applicable Law**" or the "**Law**".

## 3. CLIENT CLASSIFICATION CATEGORIES

### 3.1. Retail Client

A Retail Client is any client who does not satisfy the criteria to qualify as a Professional Client or Eligible Counterparty.

### 3.2. Professional Client

For the purposes of the Investment Services and Activities & Regulated Markets Law of the Republic of Cyprus, the following entities are regarded as professional clients in all investment services and activities and financial instruments:

- (i) Entities which are required to be authorized or regulated to operate in the financial markets, including organizations such as Credit institutions, Investment firms, other authorized or regulated financial institutions, Insurance Companies, Collective Investment Schemes and their management companies, pension funds and their management companies; commodity and commodity derivative dealers, locals, other institutional investors; or
- (ii) A market participant which meets two of the three following requirement:
  - a. Its balance sheet is equal to or exceeds €20,000,000;
  - b. Its net turnover is equal to or exceeds €40,000,000; or
  - c. Its own funds equals to or exceeds €2,000,000.
- (iii) Nationals and regional governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB or other similar international organization.

- (iv) Other institutional investor whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions.
- (v) Clients who may be treated as “professional clients” on request following approval by the Company (Please refer to section 4 Request for different classification).

The entities referred in section 3.2(i)-(iv) are professional clients in relation to all investment activities and financial instruments. The clients mentioned in point 3.2(v) may be treated a professional client, generally or in respect of a particular investment service or transaction or type of transaction or product.

Professional clients are responsible for keeping the Company informed about any change which could affect their categorization. Where the Company becomes aware that the client no longer fulfils the initial conditions which made him entitle for professional treatment, appropriate actions will be taken.

### 3.3. Eligible Counterparty

An Eligible Counterparty is a party to which an investment firm provides the services of reception and transmission of orders on behalf of clients and/or execution of such orders:

- a) Investment Firms
- b) Credit Institutions
- c) Insurance companies
- d) UCITs and their management companies
- e) Pension funds and their management companies
- f) Other financial institutions authorized by a Member State or regulated under the laws of Cyprus or under European Union Law
- g) National governments and their corresponding offices including public bodies that deal with public debt at national level, Central Banks and supranational organizations.

## 4. REQUEST FOR DIFFERENT CLASSIFICATION

Elective Professional Client: Clients who have been initially classified by as retail clients are allowed to request to be reclassified as a “professional client” and, in that case the client will be afforded a lower level of protection.

Such request must be made in writing either generally or in respect of a particular investment service or transaction or type of transaction or product. After that, the Company will give to the client a clear written warning of the protections and investor compensation right they may lose. The client must state in writing, in a separate document from the contract, that he is aware of the consequences of losing such protections and accept it. Before deciding whether to accept any waiver request, the Company is required to take all the reasonable steps to ensure that the client requesting to be treated as a professional client. The Company is not obliged to deal with the client under a different classification.

The Company is allowed to treat any retail client as “professional client” provided that the relevant criteria and procedures mentioned below are met. However, these clients shall not presume to possess market knowledge and experience comparable to that of the Professional clients by default (point 3.2 above).

Any waiver of protection afforded will be justifiable only if an adequate assessment of the expertise, experience and knowledge of the client undertaken by the Company gives reasonable assurance, based on the nature of the transactions or services envisaged, that the client is capable of making his/her own investment decisions and understanding the risks involved.

In the course of the above assessment, at least two of the following criterial should be satisfied:

- a) The client has carried our transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
- b) The size of the client’s financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;
- c) The client 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.

Elective professional clients are responsible for keeping the Company informed about any change which could affect their current categorization. If the Company becomes aware that the client no longer fulfils the initial conditions which made him eligible for a professional treatment, appropriate actions will be taken.

Any professional client has the right to request to be reclassified as a “retail client” in order to obtain a higher level of protection.

It is the responsibility of the client, considered to be professional client, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved. The higher level of protection will be provided when a client who is considered to be professional client enters into a written agreement with the Company to the effect that it shall not be treated as a professional client for the purposes of the applicable conduct of business regime. Such agreement will specify whether this applies to one or more particular services or transactions or to one or more types of products or transactions.

An Eligible counterparty has the right to request a different classification, either as a “professional client” or as a “retail client”, in order to obtain a higher level of protection. Under the Law, the Company is not obliged to deal with the client in accordance with its request.

## 5. PROTECTION RIGHTS

Professional clients (including Elective Professional clients), will be entitled to fewer protections under the Law, than Retail clients. In particular:

- a) Professional clients will be entitled to fewer information disclosures with regard to Safecap, its services, products and financial instruments such as Contracts for Difference (“CFDs”) (for example on costs, commissions, fees and charges, information on risks associated with CFDs or any other articular product);
- b) where the Company assess whether a product or service is appropriate for clients, the Company assumes that Professional clients have the necessary level of knowledge and experience to understand the risks involved in it, including for CFDs the risks involved in trading with leverage / margin;
- c) when providing clients with Best Execution the Company is not required to prioritize the overall costs of the transaction as being the most important factor in achieving Best Execution for Professional clients;
- d) The Company do not need to inform the Professional clients of material difficulties relevant to the proper carrying out of their order(s) promptly;
- e) Should the Company provide Professional clients with periodic statements, it is not required to provide them as frequently or as detailed as for Retail Clients;
- f) Where the Company is holding Professional client’s money, it is not required to notify such clients of whether interest is payable on it; and
- g) Professional clients are not entitled to compensation under the Investor Compensation Fund, as available for Retail Clients.

## 6. INVESTOR COMPENSATION FUND

Safecap is a member of the Investor Compensation Fund (the “Fund”) for clients of Cyprus Investment Firms.

The object of the Fund is to secure the claims of the covered clients against the Fund members through the payment of compensation.

**Covered clients:** if you have been categorised by Safecap as a retail client, you will be eligible to seek compensation from the Fund to the extent our obligations towards you cannot be satisfied. CySEC has sole responsibility in determining if a regulated firm, like Safecap, may be unable to meet its obligations in connection with the provision by it of the investment or the ancillary services. Such inability is directly related to the investment firm’s financial circumstances in respect of which there is no foreseeable realistic prospect of improvement in the near future.

Where you have been convicted of a criminal offense (e.g. a money laundering offense) you may be denied compensation.

You will not be entitled to compensation if you are categorised as a professional client or eligible counterparty.

**Maximum compensation:** The amount of compensation shall be up to a maximum amount of twenty thousand Euro (€20.000) and is defined as the lower of 90% of the cumulative covered claims of a covered client and €20.000. The amount of compensation payable to each covered client is calculated in accordance with the legal and contractual terms governing the relationship of the covered client with the Company and the said coverage applies to the total amount of claims of an investor towards a Fund irrespective of the number of accounts, currency and place of provision.

Please note that Fund only covers compensation for the assets you hold with an investment firm in case of such firm’s failure to meet its refund obligations to you. It does not offer any compensation for your trading losses or apply to any service failures by or complaints you may have against the investment firm.

In our case, you will be covered with respect to the Equity in your Account with us (as such terms are defined in the Investment Services Agreement).

**Procedures for claims:** if you would like more information on how to claim from the Fund, please contact our Customer Support Department using the methods listed on the [Contact Us](#) page or CySEC at [www.cysec.gov.cy](http://www.cysec.gov.cy) in the section of Investor Protection, or, alternatively, submit a letter, accompanied by all supporting evidence, addressed to Investment Compensation Fund for CIF Clients as follows:

Investor Compensation Fund for CIF Clients  
Cyprus Securities and Exchange Commission  
19 Diagorou Street, 1097 Nicosia, Cyprus

Applications must include the following:

- the applicant's name,
- the applicant's address, telephone and fax numbers, and email address, if any,
- the applicant's client code with the ICF member,
- the particulars of the covered services agreement between the ICF member and the applicant,
- the type and amount of the alleged claims, and,
- evidence giving rise to the alleged claims and their amount.

Applications will be evaluated by a qualified accountant and at least one advocate with knowledge of capital markets issues. They will make a recommendation to the ICF's Administrative Committee on whether the claim should be accepted in total or in part or rejected. When valuation has been completed, the ICF will issue a decision listing the clients who are eligible for compensation and how much each is entitled to. This will be communicated to CySEC and the Company within five working days from its issue and to the affected clients the soonest possible from its issue.

Clients will be paid compensation within three months from the date that the decision was communicated to you.

## 7. OFFERING CFDs IN CERTAIN JURISDICTIONS

CFDs are not eligible for sale in certain jurisdictions or countries. This Document is not directed to any jurisdiction or country which is included in the Company's Banned Jurisdictions as these are defined in the Agreement. This Document does not constitute an offer, invitation or solicitation to buy or sell CFDs.

## 8. APPLICABLE LANGUAGES

Please note that where you have been provided with a copy of this Document other than in the English language, such Document is provided to you for information purposes only. The English version of this Document is the version that is binding on Safecap at all times.

## 9. QUESTIONS

For any enquiries or clarifications regarding this Document, please contact our Customer Support Department using the methods listed on our [Contact Us](#) page.