

Professional Client Notification

Your Client Category

Interactive Brokers (U.K.) Limited (**IBUK**) must treat each client as either a Retail Client or Professional Client.

This is to notify you that IBUK has categorised you as a Professional Client for all the work we do with you.

Why you are a Professional Client

You are a Professional Client either because:

- you meet the conditions for categorisation as a Professional Client under the FCA's rules (for instance, where you are authorised to operate in financial markets); or
- you have asked to be treated as a Professional Client, and we have agreed to treat you as such.

What this means for you

A Professional Client has fewer regulatory protections than a Retail Client. The Annex below shows the differences in those protections.

Want to change your category?

You may ask to be treated as a Retail Client. We will consider such request under FCA's rules, but we do not have to agree to it. To begin a request, please use the Client Portal.

Informing us about change

You are responsible for keeping IBUK informed about any change which could affect your categorisation. For example, if your assets, trading activity or role in the financial sector change materially. It is your responsibility to ask for a higher level of protection if you deem that you are unable to properly assess or manage the risks involved.

Further Information

Please refer to the client categorisation FAQs [here](#) for more information.

By clicking to accept this document, you confirm that we have told you how we have classed you.

ANNEX

KEY DIFFERENCES IN REGULATORY PROTECTIONS

As a Professional Client, you are assumed to have greater knowledge and experience. Some of the regulatory protections that apply to Retail Clients are reduced or do not apply to you. The main differences are:

Information about risks

As a Retail Client, if we offer you a product or service with another product or service (i.e. as part of a package), we must:

- tell you if the mix of services or products creates risks that are different from the risks you would face if you took each part on its own; and
- explain each part of the product or service and how putting them together changes the risks.

As a Professional Client, we do not have to give you these explanations or warnings.

Contracts for Difference (CFD) protections

As a Professional Client, you will lose several protections that only apply to Retail Clients. These include:

- limits on how much you can borrow;
- automatic closing of positions if your account drops too far;
- protection against losing more than you invest;
- a ban on perks that encourage high-risk trading; and
- standard warnings showing how many clients lose money trading CFDs.

As a Professional Client, you could lose more than you put in. You may also not receive standardised warnings.

Communications and marketing

All our communications with you must be clear, fair and not misleading. But as a Professional Client:

- we can use more technical words;
- we do not have to explain things as simply or as often; and
- marketing communications do not have to contain enough detail for you to fully judge the investment.

You now have to make decisions with less information than you received as a Retail Client.

We do not have to send alerts if your investments fall sharply in value

As a Retail Client, you got alerts when certain higher-risk investments in your account significantly decreased in value. Specifically:

- when leveraged investments (those using borrowed money) or investments with potential additional payment obligations dropped by 10% from their original value; and
- at every further 10% drop in value (at 20%, 30%, and so on).

As a Professional Client, you will no longer get these alerts. You must check these investments yourself to spot big drops.

We may no longer check whether products are right for you

As a Retail Client, we assessed whether you understood the risks of a product before you traded.

As a Professional Client, we are now allowed to assume that you know what you are doing. We will not ask about your experience or knowledge. We also would not have to warn you if a product seems inappropriate or too complex.

You may receive less information about costs and fees

We give all clients information on costs and fees for our services and products. But Retail Clients may get more detail.

Order Execution

For Retail Client trades, total cost is the main factor. This includes price and execution costs.

For Professional Clients, we can weigh up other factors. Price matters, but speed and other costs may come first.

We are not required to notify you if we have difficulty executing your orders

If we hit a problem with a Retail Client's trade, we must tell them right away. We do not have to do this for Professional Clients.

We also have more time to confirm that a Professional Client's trade has gone through.

Your trades may take place outside regulated venues

For shares admitted to trading on a regulated market or traded on a trading venue, we can only execute trades for Retail Clients on:

- regulated markets;
- multilateral trading facilities;
- systematic internalisers; or
- equivalent third-country trading venues.

For Professional Clients, this rule may not apply. Your trades could happen outside these venues in some cases.

We may limit or exclude our liability more extensively

FCA rules allow us to more extensively limit the responsibilities we owe to Professional Clients.

Client Information

We must provide certain information to both retail and Professional Clients. Some presentation requirements differ for Retail Clients. For example, we must provide Key Information Documents (**KIDs**) to Retail Clients under the Packaged Retail and Insurance-based Investment Products regime. We do not have to provide KIDs to Professional Clients. Professional clients can still access KIDs available on our website.

You may lose access to the Financial Ombudsman (FOS)

The services of the FOS in the UK may not be available to Professional Clients.

FOS access is typically limited to consumers, small businesses, charities and trusts that meet the eligibility criteria under FCA rules. Further information is available at: <https://www.financial-ombudsman.org.uk/>.

You can still complain to Interactive Brokers through our normal process.

We may take full legal ownership of your assets as security

As a Professional Client, we can take legal ownership of your assets to cover what you owe us now or may owe in the future.

We could not do this when you were a Retail Client.

Client money

The FCA's rules on how we hold and protect money belonging to Retail Clients are strict.

As a Professional Client, these rules are more relaxed. This means:

- we may not be required to keep your money separate in the same way; and
- your funds may be exposed to more risk if we fail.

Compensation

IBUK is a member of the UK Financial Services Compensation Scheme (**FSCS**). You may be entitled to claim compensation from that scheme if IBUK cannot meet its obligations to you.

Whether you can claim FSCS compensation does not depend on your client type. It depends on the type of claimant you are, the nature of the business conducted, and the type of claim. For example, larger companies or certain financial institutions may not be eligible for FSCS protection, even if categorised as Retail Clients.

For more information, visit: <https://www.fscs.org.uk/>.