

Conduct of Business Rulebook (COBS)

*In this Appendix, underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

2.4 Professional Clients

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2.4.4 "Assessed" Professional Clients

Individuals

- (a) An individual may be treated as an "assessed" Professional Client (instead of a Retail Client) if:
- (i) the individual has net assets of at least US\$500,000, or US\$1,000,000 in the case of the Promotion of a Passported Fund (including any assets held directly or indirectly by that person), the calculation of which must exclude:
 - (A) property which is that person's primary residence or any loan secured on that residence;
 - (B) any rights of that person under a qualifying Contract of Insurance within the meaning of FSMR; or
 - (C) any benefits (in the form of pensions or otherwise) which are payable on the termination of that person's service or on death or retirement and to which that person or that person's dependents are, or may be, entitled;
 - (ii) either:
 - (A) the individual is, or has been, in the previous twelve months, or two year in the case of the Promotion of a Passported Fund, an Employee in a professional position of an Authorised Person, a Recognised Body or Remote Body; or
 - (B) the individual appears, on reasonable grounds, to have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks, following the analysis set out in Rule 2.6.2; and
 - (iii) the individual has not opt to be classified as a Retail Client.

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