

## MIFID

---

This is a Community regulation applicable to the provision and marketing of investment services regarding financial instruments.

MiFID is the abbreviation for Directive 2004/39/EC on markets in financial instruments.

This Directive has been transposed into the legislation of the various countries of the European Union (e.g. through Law 47/2007, of 19 December and Royal Decree 217/2008, of 15 February in Spain), as well as in the Principality of Andorra, where its basic principles are covered by [Law 8/2013, of 9 May, regulating organizational requirements and operating conditions of entities operating within the financial system, investor protection, market abuse and financial guarantee contracts](#).

One of the main objectives of the MiFID regulations (hereinafter MiFID) is to increase the degree of protection for investment services customers, as a result of the growing complexity of the investment products and services that are on the markets.

In this sense, MiFID obliges financial institutions to incorporate a wide range of standards to which they must adjust in terms of providing investment services, as well as to improve the levels of information that must be provided to the investors themselves.

Andbank has developed a document called the "[Welcome Pack](#)" that details pre-contractual information, such as information about our Institution and the services we offer, financial instruments, etc., which is available for you.

Likewise, in order to comply with this regulation, Andbank has adopted a [Best Execution of Orders Policy](#) and a [Conflicts of Interest Management Policy](#).

We are attaching a document with a detailed description of the products and financial instruments from our catalogue that are affected by the MiFID, including a description of the risks inherent in these. ([Investor Guide](#)).

In terms of information regarding fees and expenses related to the investment services and products or instruments offered by Andbank, we advise you that our Rates Book is available for your perusal in our branches.

### CLASSIFICATION SCHEME

MiFID establishes a scheme that classifies customers into three different categories that aim to reflect their level of knowledge and experience in markets:

**Retail customers**, who are essentially private individuals acting as individuals, SMEs and receiving the highest level of protection provided for and the greatest scope of pre- and post-contractual information that must be provided to them.

**Professional customers**, who are institutional investors and large companies and are given a lower level of protection than retail customers on the assumption they have sufficient knowledge of financial markets and instruments to make their own investment decisions and understand and assume the risks therein.

**Eligible Counterparty Customer**, banks, savings banks, investment and pension funds; a basic level of protection is envisaged for this type of customer due to the fact they are institutions that, by their nature, have to act directly and frequently in the financial markets.

With the aim of providing maximum protection to our customers, Andbank classifies them as **Retail customers** by default, unless they are customers related to the financial system, who will then fall into one of the other categories. We are attaching a [letter of assessment](#) aimed at our Retail Customers

Retail customers can request to change their category to professional customer, which specifically implies expressly rejecting being treated as a retail customer and the associated level of protection, in addition to meeting two of the three requirements detailed below:

- having made transactions with significant volume in the securities market in the last 4 quarters with an average frequency greater than 10 transactions per quarter;
- having assets in securities deposited in financial institutions and in cash whose value is greater than 500,000 euros;
- occupying or having occupied for at least one year in the past a professional position in the financial sector that requires knowledge about the transactions planned.

Andbank reserves the right to award the classification above, according to the opinion of the banker as a legal requirement.

## **CUSTOMER KNOWLEDGE SCHEME**

The MiFID regulations make a distinction between basic execution services and services that require prior assessment to ensure that the service and/or product is suitable in terms of the customer's needs and/or appropriate to his or her level of knowledge and experience.

To meet this requirement, andbank has designed a MiFID test, which will be given to customers prior to any services being provided. The information obtained will be used exclusively for the assessments indicated.

Customers wishing to get more information may go to their relationship manager or private banker who, as always, will be at their service.

Below we are also including a list of [FAQs related](#) to the MiFID.