

What is the law 8/2013 concerning organisational requirements and operating conditions of the operating entities in the financial system, investor protection, market abuse and financial guarantees arrangements?

This law sets out the principles laid down in the EU directive known as MiFID (which stands for "Market in Financial Instruments Directive).

The law regulates the way in which financial institutions provide their instruments services so as to ensure a high level of protection for investors. It classifies customers into three categories that determine the appropriate level of protection and information.

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Now, the interests of our clients are even better protected

## Law 8/2013

OF 9 MAY, ON THE ORGANISATIONAL REQUIREMENTS AND FUNCTIONING CONDITIONS OF OPERATING ENTITIES OF THE FINANCIAL SYSTEM, INVESTOR PROTECTION, MARKET ABUSE AND FINANCIAL GUARANTEE AGREEMENTS



**Crédit Andorrà**



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## What are the objectives of this law?

- To protect the investor's interests
- To ensure that the investor is aware of the products and services as well as of the related risks
- To encourage transparency and efficiency

## What are complex and non-complex products?

The law classifies banking products into both complex and non-complex products.

Complex products are products which, due to their characteristics, are exposed to several risk factors (liquidity, volatility, exchange rates, etc.) and require a certain level of knowledge and experience to understand them. The following products qualify as complex products:

- Preference shares, convertible bonds, perpetual bonds, etc.
- Free investment funds (hedge funds)
- Derivatives (futures, options, warrants, caps, floors, foreign currency hedges, etc.)
- Structure products (both in-house and external)

Non-complex products are products which have a low level of complexity and risk, such as shares listed on a regulated market, money market instruments, etc.

## Classification of clients according to the MiFID law

<b>Retail clients</b>	Maximum level of protection
<b>Professional clients</b>	These clients have the experience, knowledge and qualifications required to make their own investment decisions and assess the related risks. The level of protection is limited.
<b>Eligible counterparties</b>	Institutional investors

## What will Crèdit Andorrà do to ensure that its products and services are marketed properly?

The following tests are completed depending on the type of product and service:

### **Suitability test**

When providing discretionary portfolio management or advisory services, a test will be completed to determine the investment risk profile of each client, their financial knowledge and experience, their financial situation and capacity, and the investment objectives pursued.

### **Appropriateness test**

When selling complex products, a test will be carried out to ensure that the product is appropriate for the client. This test will identify the client's knowledge and experience in relation to the product applied for.

### **Advisory service contract**

For clients who wish to benefit from advice relating to product recommendations.

## What are the most important policies and procedures maintained by Crèdit Andorrà in relation to the provision of investment services?

### **Order execution policy**

In order to achieve the best possible results, we are committed to carrying out reasonable measures in relation to our client's transactions based on price, costs, speed and likelihood of execution and settlement, the volume and nature of the order and any other aspect deemed relevant to its execution.

### **Asset protection policy**

We are committed to carrying out appropriate measures to protect our client's proprietary rights to the financial instruments and funds entrusted to us.

### **Conflict of interest policy**

We take appropriate measures and maintain procedures to prevent and deal with identified situations which may give rise to a conflict of interest between clients and Crèdit Andorrà or between Crèdit Andorrà' clients.