

Classification of financial instruments (products)

Definitions	Examples of Products(non exhaustive list)	Complex/non Complex	Understanding/Comments
1.Transferable securities (Art.4.18-Level1)			
A. Shares In companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares			
Shares	Equities	Non-Complex	
	GDR (Global Depositary Receipt)	Non-Complex	
	ADR (American Depositary Receipt)	Non-Complex	
	Bons de Jouissance (non voting shares)	Non-Complex	
	Shares Cum Warrant= Units	Non-Complex	
	Shares Certificate	Non-Complex	
	Strip WPR	Non-Complex	
	Real Estate Certificate	Non-Complex	
B. Bonds or others forms of securitized debt, including depositary receipts in respect of such securities			
Bonds	Bonds (regular)	Non-Complex	
	Bons de Caisse (short term note)	Non-Complex	
	Bons de Caisse (short term note) Step up	Non-Complex	
	FRN (Floating Rate Notes) / reverse floating rate notes	Non-Complex	
	Subordinated Bonds	Non-Complex	
	Perpetual Bonds	Non-Complex	
	Bond Cum Warrant = Units	Non-Complex	
	Obligations de Jouissance (non voting bonds)	Non-Complex	
	Inflation Linked Bonds (OAT,UK)	Non-Complex	
	Any guaranteed capital products	Non-Complex	See note11b
Other Types of debt instruments	Convertible Bonds	Complex/Non-Complex	See note11b
	Reverse Convertible	Complex	See note11b
	ABS (Asset Back Securities)	Non-Complex	See note11b
	MBS (Mortgage Back Securities)	Non-Complex	
	Converted Bonds	Non-Complex	
c. any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies			
	Warrants	Complex	Article 38 of Dir L2 2006/73
2.Money-Market instruments (Art.4.19-Level1)			
Treasury Bonds	OLO	Non-Complex	
	UK Treasuries	Non-Complex	
	T-Bills	Non-Complex	
	BTAN	Non-Complex	
	OAT	Non-Complex	
	Germany	Non-Complex	
	Bonds NL	Non-Complex	
	Other Government bonds (ES,PT,IR)	Non-Complex	
	Money Markets	Non-Complex	
	Structured Bons de Caisse (structured short term notes)	Non-Complex	

Certificates of Deposit	Certificate of Deposit	Non-Complex	
Commercial Paper	ECP (Euro Commercial Paper)	Non-Complex	
	Short Term Paper	Non-Complex	
	Commercial Paper	Non-Complex	
3. Units in collective investment undert (Annex 1-Section C-Level1) :			
	UCITS	Non-Complex	Including ETF (Exchange traded funds)
	Non-UCITS	Complex/Non-Complex	Please refer to Note 11.c
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other			
	FRA	Complex	
	Forex Forward (OTC Forward sur Forex) including NDF non deliverable forward	Complex	
	IRS	Complex	
	IRCS	Complex	
	Asset swap	Complex	
	Swaption-Options on swap	Complex	
	Caps	Complex	
	Floors	Complex	
	Collar+ Collar interest rate	Complex	
	Forex Options	Complex	
	Stock Options (OTC Option on single Stock)/Options OTC	Complex	
	OTC Options on bonds	Complex	
	Indexed futures	Complex	
	Eurostocks future	Complex	
	Futures on shares	Complex	
	FX Futures	Complex	
	Futures bond future	Complex	
	Futures on interests rates (3M Euribor...)	Complex	
	Options on shares	Complex	
	Options equity indices	Complex	
	Options on Forex future	Complex	
	Options on bond future	Complex	
	Exchange traded Options on Money Market	Complex	
	Options Commodities futures	Complex	
	Options equity futures	Complex	
	Options on indices future		
	...etc...		
5. Options, futures, swaps, forward rate agreements and any other directive contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event); (Annex 1-Section C-Level 1)			
	Futures on commodities	Complex	
	Options on commodities	Complex	
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided than they are traded on a			
	all	Complex	
7. Options, futures, swaps, forwards, and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6. and not being foe commercial purposes, which have the characteristics of other derivative financial instruments , having regards to whether, inter alia, they are cleared and settled through recognized clearing houses or are subject to regular margin cells; (Annex 1-SectionC-Level 1)			

	all	Complex	
8. Derivative instruments for the transfer of credits risks ; (Annex 1-SectionC-Level 1)			
	Credit Linked – credit derivatives	Complex	
	CDS (Credit Default Swap)	Complex	
	CDO (Credit Default Option)	Complex	
9. Financial contracts for differences ; (Annex 1-SectionC-Level 1)			
	all	Complex	
10. Options, Futures, swap, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices, and measures not otherwise mentioned in this section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls; (Annex 1-SectionC-Level 1)			
	all	Complex	
<p>11. Note</p> <p>a. REPO like deals are not considered as products under MIFID.</p> <p>b. The following elements should be taken into consideration for the classification of the instrument as complex or non-complex : Other non complex instruments are :</p> <ol style="list-style-type: none"> 1. Instrument, wherefore there are frequent opportunities to dispose of, redeem, or otherwise realize that instrument at prices that are publicly available to market participants and that are either market prices or prices made available by valuation systems independent of the Issuer; 2. It does not involve any actual or potential liability for the client that exceeds the cost of acquisition; 3. Adequately comprehensive information on its characteristics is publicly available and is likely to be readily understood so as to enable the average retail client to make an informed judgment as to whether to enter into a transaction in that instrument. <p>Regarding structured products, the classification of the instrument as complex or non-complex could be indicated by the following tests being satisfied (combine art.19.3 of L1 Directive and Article 38 of L2 Directive for each instrument):</p> <ul style="list-style-type: none"> - Is the legal structure close to one of the non-complex per default as in article 19.6 of the directive - is the instrument admitted to trading on an RM or MTF or easily redeemable (liquidity test), for a retail type order - does it entail liability for the client that exceeds the cost of acquisition - does the product contain a capital guarantee - -is the internal structure of the product complex or not - the product does not give the right to acquire a transferable security, or not <p>c. Regarding non UCITs funds, the categorization as complex or non-complex could be indicated by the following tests</p> <ol style="list-style-type: none"> 1. Is the product admitted to trading on a RM or MTF (i.e liquidity criteria)? If yes, then non-complex, 2. Is there another form of liquidity organized by the promoter or another intermediary? If yes, non-complex, if not apply test under 11.b 			