CLIENT AGREEMENT

RISKS ASSOCIATED WITH TRANSACTIONS IN DERIVATIVE FINANCIAL INSTRUMENTS (CFDs)

INTRODUCTION

- FX Admiral is the brand name of ADMIRAL MARKETS LTD, a private company registered under the Companies Act 2006, with its registered office in England and Wales.
- This Risk Warning Notice (the "Notice") is provided for Clients and Prospective Clients considering opening a trading account with the Company, in accordance with applicable laws.
- Clients and Prospective Clients are required to read this Notice, available on the Company's website, before opening a trading account or engaging in trading activities with the Company.
- This Notice, together with the General Risk Disclosure document, cannot fully explain all the risks or significant aspects of trading in Derivative Financial Instruments, such as Contracts for Difference (CFDs). It serves to provide a general overview of the risks involved, in compliance with the law. Clients must understand all associated risks and should seek independent financial advice if uncertain. The Company does not provide such advice. If these risks are not understood, Clients should refrain from trading.

VOLATILITY

- CFDs offered by the Company are derivative financial instruments, with prices determined by the underlying assets. These underlying markets can be highly volatile, and prices may change rapidly and unpredictably due to unforeseen events or changes in conditions beyond your or the Company's control. Such fluctuations can affect the Company's pricing, your ability to open or close a position, and the price at which you can do so.
- In certain market conditions, it may be impossible to execute an order at the declared price. Even "stop-loss orders," designed to limit losses by executing trades at a specific price, cannot guarantee loss limitation. These orders, once triggered, become market orders, and may be executed at a price lower than the one specified.
- The prices of CFDs are influenced by multiple factors, including changes in supply and demand, government policies, political and economic events, and overall market sentiment.
- Some underlying assets of CFDs may become illiquid due to decreased demand, making it challenging for Clients to determine their value or assess related risks accurately.
- Trading CFDs is highly speculative and carries a substantial risk of loss. Because CFDs are traded using margin (which covers only a small portion of the underlying asset's value), even minor price changes in the underlying assets can lead to significant losses.

Trading CFDs may result in losing the margin held by the Company as collateral for open positions.

- Transactions in derivative financial instruments offered by the Company are conducted via the Company's Electronic Trading Platform and are not traded on a recognized exchange. This exposes Clients to greater risks compared to transactions conducted on regulated exchanges. The terms, conditions, and trading rules are set exclusively by the Company, which acts as the counterparty.
- Clients may be required to close open positions during the operating hours of the Company's Electronic Trading Platform.

DEFINITION

- **CFDs (Contracts for Difference)**: A CFD is a financial agreement between two parties to exchange the difference between the opening and closing prices of a contract. These contracts can involve various underlying assets, including shares, currencies, commodities, and indices. CFDs enable investors to experience the benefits and risks of owning an asset without acquiring ownership of the actual underlying asset.

LOSSES

- The Client acknowledges that trading CFDs carries substantial risk, including the potential for losses exceeding the Initial Amount deposited and any additional funds, such as the Margin Requirement outlined in the section below.
- While CFD trading typically requires a small initial deposit relative to the total trade volume (known as the margin requirement), gains and losses can quickly exceed this deposit. Clients may need to deposit additional funds to maintain required margin levels and avoid liquidation of their positions.

ADDITIONAL OBLIGATIONS

- **Understanding Charges**: Clients and Prospective Clients must obtain a comprehensive understanding of all commissions, fees, and charges they may incur before trading with the Company. Detailed information is provided on the Company's website and in its legal documentation. If fees are presented in non-monetary terms (e.g., as a dealing spread), Clients should request a clear explanation, including examples, to understand their monetary impact.
- **Trading with Price Movements**: When trading CFDs, Clients are engaging with price movements established by the Company. The quoted prices include a spread, mark-up, or markdown compared to prices the Company may receive or anticipate in the interbank market or from other counterparties.
    - The impact of spreads on trading outcomes can be significant in relation to the margin deposited. Clients are advised to carefully consider the effects of spreads, mark-ups, and mark-downs on their ability to achieve profitability.

- **Financing Fees**: The value of open CFD positions is subject to daily financing fees.
  - For long positions, the CFD price is reduced daily by a financing fee over the life of the contract.
  - For short positions, the price is increased by a daily financing fee.
  - Financing fees are determined by prevailing market interest rates, which can fluctuate over time. Detailed information on these fees is available on the Company's website.
  - Clients should ensure they maintain sufficient funds to account for financing fees and avoid negative account equity, particularly when trading CFDs on cash indices or shares where fees may reflect corporate actions.
- **Tax and Duties**: CFD trading may be subject to taxes or other duties depending on the Client's personal circumstances or changes in legislation.
  - The Company does not provide guarantees that CFD trades will be free from tax liabilities.
  - Clients are solely responsible for any taxes or duties incurred as a result of their trading activities.

LEVERAGE

- The Client and any Prospective Client acknowledge and accept that, regardless of any information provided by the Company, the value of CFDs may fluctuate significantly, potentially rendering the investment worthless.
- This is due to the high degree of "gearing" or "leverage" associated with CFDs. Leverage allows trading with a small deposit or margin relative to the overall contract value, meaning even minor movements in the underlying market can disproportionately impact your trading results, either positively or negatively.

MARGIN

- The Client must understand the margin requirements associated with CFD transactions. To open a position, the Client must deposit funds reflecting the required margin into their trading account.
- Margin requirements specific to each account will be provided before trading begins and are accessible upon completing the steps to become an approved Client of the Company.
- The Company offers leverage of up to **1:500**, but the Client acknowledges that the maximum leverage may vary in specific instances, such as:
  - **Significant news events**: Trades opened within 15 minutes before and 5 minutes after significant news related to a trading instrument.
  - **Daily rollover period**: Trades opened within 1 hour before and 1 hour after the daily rollover.
- The Client acknowledges and understands that the maximum leverage on their account may be automatically adjusted without prior notice.
- Margin requirements depend on the underlying asset, the leverage chosen, and the size of the position.
- **Margin Calls**: The Company will not notify the Client of any "Margin Call" to maintain a loss-making position.

- If the **Margin Level** on the Client's account reaches or falls below **100%**, the Client will not be able to hedge their open positions.
- The Company reserves the right to:
  - Begin closing positions when **Equity** decreases to **50% of the used Margin**.
  - Automatically close all positions at market prices when Equity falls to:
    - **10% of the used Margin** for Micro Accounts.
    - **20% of the used Margin** for all other accounts.

DECLARATION

- The Client acknowledges, confirms, and accepts that entering into an Agreement with the Company and placing a CFD Order entails high risks of losses and damages.
- The Client declares their willingness to proceed with trading and assumes full responsibility for these risks.

REVISION

- The Company reserves the right to review or amend its Risk Disclosure statements at its sole discretion whenever deemed necessary, without prior notice to the Client.

CAUTION

- For many members of the public, trading in Contracts for Differences (CFDs) may not be suitable.
- The Client should refrain from CFD trading unless they fully understand its features and risks, including the possibility of losing their entire investment and incurring additional charges.

RISK WARNING: BONUS TERMS AND CONDITIONS

- **False Documents**: Clients are strictly prohibited from submitting false or misleading documents to claim bonuses. Any such attempt may result in immediate disqualification from bonus programs and potential account closure.
- **Bonus Abuse**: Engaging in bonus abuse—such as creating multiple accounts to claim bonuses multiple times—is prohibited and may result in forfeiture of bonuses and account termination.
- **Bonus Hedging and Arbitrage**: Exploiting bonus terms through hedging or arbitrage strategies is a violation of bonus terms. Such actions may lead to the removal of bonus funds and any profits earned through such methods.