

# **ADMIRAL MARKETS PTY LTD KEY INFORMATION DOCUMENT FOR WHOLESALE CLIENTS**

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## About this document

1. This Key Information Document provides you, the Wholesale Client, with an overview of some of the risks and other information related to financial Products issued to wholesale clients by Admiral Markets Pty Ltd ('Admiral', 'we', 'us' or 'our' as appropriate). This document is not intended to detail every risk that may be encountered during trading or how such risks may relate to your personal circumstances.
2. This Key Information Document must be read in conjunction with our Account Terms, Risk Disclosure and any other terms and conditions published by us from time to time on the trading platform or on our website. We note, however, that documents titled *Product Disclosure Statement ('PDS')* and *Financial Services Guide ('FSG')* are designed for, and issued only to, retail clients.
3. For the avoidance of doubt, as a wholesale client, you are not entitled to receive PDS and FSG from us and nor can you rely on service descriptions, specifications, and terms of trading disclosed to retail clients therein.

## Your wholesale client category and PRO account

4. We categorize all clients as Retail or Wholesale. Wholesale is your client category and PRO is a set of trading terms and conditions that we can apply to trading accounts of a client who meets eligibility requirements of a wholesale client category, including professional or sophisticated investors.
5. PRO accounts offer access to Admiral Products that consist of Contracts for Difference ('CFDs') on various underlying assets, such as individual shares, indices, currencies, commodities, cryptocurrencies, bond futures, and ETFs.

6. PRO accounts are available to wholesale clients under names Trade.MT4, Zero.MT4, Trade.MT5 and Zero.MT5. Detailed information about availability and terms of particular financial products as well as applicable fees and margin requirements are published on our website.
7. As a Wholesale client, you will not be entitled to some of the protections afforded to retail clients under the Corporate Act 2001 (Cth), for example:
  - a. The protections afforded under ASIC's product intervention measures for CFD. These protections include a restriction to lower leverage, a higher margin close-out level, a requirement for providing negative balance protection on a per account basis with the unlimited maximum payout, restrictions on the incentivization of trading.
  - b. Our external dispute resolution body, the Australian Financial Complaints Authority (AFCA), has discretion to exclude complaints from wholesale clients;
  - c. If we ever breach our Australian Financial Services Licensee's obligations, arrangements to compensate retail clients for loss or damage suffered because of this will not work for you as a wholesale client;
  - d. We are not required to provide you with a Product Disclosure Statement or Financial Services Guide;
8. As a wholesale client, we will assume that you have the necessary levels of experience and knowledge to transact in Admiral Products.
9. We may withdraw your status as a wholesale client, and treat you as a retail client, at any time at our absolute discretion.
10. You remain responsible for timely informing us if due to any circumstances you no longer meet the criteria to be considered a wholesale client.

## Admiral Products - Contracts for Difference ('CFDs')

11. **WE PROVIDE SERVICES RELATING TO COMPLEX FINANCIAL DERIVATIVE PRODUCTS - CFDs. THE CONTRACTS ON OUR ONLINE FACILITY ARE TRADED ON A MARGIN OR LEVERAGE BASIS, A TYPE OF TRADING WHICH CARRIES A HIGH DEGREE OF RISK TO YOUR CAPITAL. THE PRICE OF THE CONTRACT YOU MAKE WITH US MAY CHANGE QUICKLY AND YOUR PROFITS AND LOSSES MAY EXCEED BY MANY TIMES THE AMOUNT OF YOUR INITIAL INVESTMENT. IF YOU DO NOT HOLD SUFFICIENT FUNDS TO MEET YOUR MARGIN REQUIREMENTS, THEN WE MAY CLOSE YOUR OPEN POSITIONS IMMEDIATELY AND WITHOUT NOTICE AND YOU MAY THEN HAVE TO PROVIDE US WITH FURTHER FUNDS TO COVER ANY LOSSES. TRADING IN OUR PRODUCTS MAY NOT BE SUITABLE FOR EVERYONE AND YOU SHOULD NOT TRADE OUR PRODUCTS UNLESS YOU UNDERSTAND AND ACCEPT THE RISKS OF TRADING ON A MARGIN OR LEVERAGE BASIS AND ARE ABLE TO SUSTAIN POTENTIAL LOSSES.**
12. CFDs are sophisticated, high-risk, over-the-counter financial products issued by Admiral. They are not exchange-traded. We will act as the counterparty for your trades. You cannot trade with another provider to close any existing position opened with Admiral. We will enter into all trades with you as principal (and not as an agent) using prices available in the trading platform. Our prices may not be identical to prices for similar financial instruments or their underlying financial instruments quoted on an exchange, other regulated market or quoted by service providers similar to Admiral.
13. Key Risks of Admiral Products:
  - a. **Leverage** – Admiral Products are leveraged, because the amount you pay (Margin) to Admiral is significantly less than the full face value. You should be prepared for the greater risks from this kind of leveraged investment, including being liable to pay Admiral more Margin and those Margin requirements changing rapidly in response to changes in the relevant underlying market.

- b. **Loss of your moneys** – Your potential losses on dealing in Admiral Products may exceed the amounts you pay (as Margin) for your Admiral Products, or amounts Admiral holds in Admiral Trust Account, Wholesale Client Trust or the Security Trust Bank Account for you.
- c. **Unlimited loss** – Your potential losses on Admiral Products may be unlimited.
- d. **Limited recourse** – Admiral limits its liability to you under the terms of the Admiral Products by the extent to which Admiral actually recovers against its Hedge Counterparty and allocates that to your Admiral Products. This key risk is linked to “counterparty risk”.
- e. **Trust moneys are withdrawn to pay for your Admiral Products** – moneys which you pay into the Admiral Trust Account or Wholesale Client Trust may not be retained in that account and can be withdrawn to pay Admiral for your Admiral Products
- f. **If the moneys are withdrawn as payments to Admiral, they are not retained in the Admiral Trust Account or Wholesale Client Trust for you** and you lose the benefits of holding those moneys in the Admiral Trust Account or Wholesale Client Trust.
- g. **Margining** – You are liable to pay Margin before the Admiral Product is issued and you may be required to pay more Margin before an Admiral Product is Closed Out. Margin requirements can change rapidly. If the Client does not meet the Margin requirements, so that your account’s equity reaches a certain percentage rate of the current margin collateral (expressed in percentage and referred to as ‘Stop Out’ or ‘Stop Out Level’ in the respective section of Admiral Markets website at [www.admiralmarkets.com.au](http://www.admiralmarkets.com.au)), any or all your open Admiral Products can be liquidated at prevailing market prices. Once a Stop Out event has been triggered, Admiral Markets reserves the right to liquidate your open Admiral Products in an order which deems most appropriate, in its sole discretion, but usually liquidates your open Admiral Products starting from one with the largest floating loss. If the Stop Out conditions are still met after the liquidation of the first Admiral Product, then the next Admiral Product is selected for liquidation, and so forth, which may result in a consecutive liquidation of all open Admiral Products in your account.

- h. **Foreign Exchange** – You can be exposed to rapid, significant and large changes to the value of your Trading Account if you hold Admiral Products which are denominated in foreign currency.
- i. **Underlying market liquidity** – In setting our prices, spreads and the sizes in which we deal, we take into account the market or markets for the relevant underlying instruments. Market conditions can change significantly in a very short period of time, so that if you wish to sell an instrument or close Admiral Product, you may not be able to do so under the same terms as when you purchased or opened it. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.
- j. **Counterparty risk** – you have the risk that Admiral will not meet its obligations to you. Admiral Products are not exchange-traded so you need to consider the credit and performance risk you have on Admiral and the limited recourse arrangements.
- k. **Orders and gapping** - It may become difficult or impossible for you to Close Out a position. This can, for example, happen when there is a significant change in the Admiral Products value over a short period. There is a moderate to high risk of this occurring as a result of market volatility. Stop-loss Orders may not always be filled and, even if placed, may not limit your losses to the amount specified in the Order, since they are not guarantees that there will be no loss.
- l. **Online trading platform** - You are responsible for the means by which you access the online trading platform or your other contact with Admiral. If you are unable to access the online trading platform, it may mean that you are unable to trade in Admiral Products (including closing them out) or you might not be aware of the current Margin requirements and so you may suffer loss as a result. Admiral may also suspend the operation of the online trading platform or any part of it, without prior notice to you. Although this is considered to be a low risk since it would usually only happen in

unforeseen and extreme market situations, Admiral has discretion in determining when to do this. If the online trading platform is suspended, you may have difficulty contacting Admiral, you may not be able to contact Admiral at all, or your Orders may not be able to be executed at prices quoted to you.

- m. **Valuations** - Admiral Products are valued by Admiral. While there are no specific limits on Admiral's discretions, Admiral must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by Admiral in the circumstances permitted by the Account Terms.
  - n. **Operational risk** - There is always operational risk in an Admiral Products. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction. We are not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, in particular, due to faults in the online trading platform or in the provision of data by third parties.
14. Some of the most frequent product specific events that may cause a material effect to you position in Admiral Products:
- a. **Dividend Adjustments** (Equity and ETF Derivatives) - If you hold a long Equity Derivative or ETF Derivative, you will be credited with an amount equal to the gross dividend on the relevant number of the Derivative's Underlying Reference Instruments on the Ex-dividend Date (Equity and ETF Derivatives do not confer rights to any dividend imputation credits). Conversely, if you hold a short Equity or ETF Derivative, your Trading Account will be debited an amount equal to the gross dividend on the Underlying Reference Instruments on the Ex-dividend Date.

Dividend adjustment payments on equity derivative Product are subject to Dividend adjustment payments are subject to local withholding taxes with the rates depending on the country where the Underlying Reference Instrument share is traded (please consult your tax advisor). Please note that dividend adjustment values displayed on Admiral's website in this specification are based on forecasts provided by information agencies and may not correctly reflect resulting dividend adjustments that will be made on the basis of actual dividend payouts.

- b. **Corporate Actions** (Equity and ETF Derivatives) - If there is a corporate action by the company which issues the Equity Derivative's Underlying Reference Instrument to which the Equity Derivative relates, Admiral may in its discretion make an adjustment to the terms of the Equity Derivative in accordance with the terms of the Trading Account. For example, an adjustment will ordinarily be made for: subdivisions; consolidations; reclassifications of shares; bonus issues; other issues of shares for no consideration; rights issues; buy backs; in specie distributions; takeovers, schemes of arrangement or similar corporate actions; a corporate action event that has a dilutive or concentrative effect on the market value of the shares. You may not direct Admiral how to act on a corporate action or other shareholder benefit.

Admiral has a discretion to determine the extent of the adjustment and aims to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

Admiral may elect to close a position, without prior notice to the Client if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. Admiral may also elect to close an Equity Derivative if the Equity Derivative's Underlying Reference Instruments are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

Equity Derivatives do not entitle you to direct Admiral on how to exercise any voting rights in connection with the Equity Derivative's Underlying Reference Instrument such as shares.

- c. **Expirations** (Futures Based Derivatives) - Particular Admiral's products may have an Underlying Reference Instrument in a futures market and therefore may have a set maturity date, which essentially means a fixed term of existence. Once this term expires, the Underlying Reference Instrument is no longer traded on a relevant exchange and Admiral will Close Out any remaining open position on a futures based Derivative at the last available price on the expiry date of the Underlying Reference Instrument or no more than 2 business days later. Pending orders on any expired Instrument are also subject for cancellation by Admiral. You have discretion to close your position on a futures based Derivative and cancel all pending orders on such Instrument manually prior to expiration. Please note that transactions in an expired instrument will be automatically blocked so you will not be able to close your position after the expiry and will rely on Admiral on this matter.

Admiral has discretion to make a futures based Derivative with the next maturity date available prior to expiry of the current one or shortly after, so you are able to continue trading within the term of the next futures based Derivative.

- d. **Hard Forks** (Cryptocurrency Derivatives) – If there is a 'hard fork' action on the blockchain ledger which is supporting the reference asset of any particular Cryptocurrency Derivative, Admiral may in its discretion make an adjustment to the terms of the Cryptocurrency Derivative in accordance with the publicly available information from the entities responsible for the support of the blockchain in question. For example, a balance adjustment can be made in Client's account in order to reflect the value of the new cryptocurrency asset derived from main asset in result of the 'hard fork' event.

You may not direct Admiral how to act on a 'hard fork' action. Admiral has a discretion to determine the extent of the adjustment and aims to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

## No Advice

15. We do not provide personal advice in relation to Admiral Products. We sometimes provide factual information or research about underlying markets, information about transaction procedures and information about the potential risks and how those risks may be reasonably reduced. We shall not give advice to you on the merits of any trade and shall deal with you on an execution-only basis. None of our staff are authorised by us or permitted under the Corporations Act to give you personal advice. Any decision to use our products or services is made by you.

## Costs, Fees and charges

### Admiral Product Transaction Fees

16. For the Trade.MT4, Trade.MT5 Trading Account there are no Transaction Fees in Products other than Equity Derivatives and ETF Derivatives. A Transaction fee ('Commission') is charged for opening and closing an Equity Derivative position.
17. For the Zero.MT4 and Zero.MT5 Trading Account there is a Transaction Fee of 4 AUD flat per 1.0 lots trade turnover per side (i.e. you will be charged to Open and then you will be charged to Close). The Transaction Fees amount to Open and Close the Transaction accrues immediately when you open the Transaction.
18. All Transaction Fees are charged in the Account Currency selected, unless otherwise specified.
19. Details of the Transaction Fees which have been charged are included in your statement. This is an online report that you can access and print upon demand and can be accessed via your Admiral MT Terminal or it can be emailed to you.
20. Details of the applicable transaction fees are provided in the relevant section of our website.

## Finance Charge Adjustment/Finance Credit Adjustments

21. Finance Charge Adjustment/Finance Credit Adjustment on Long/Short Admiral Products
22. Admiral in respect of open Admiral Products held at the end of a trading day at 23:59 Admiral MT Terminal time does not close and open the positions to account for these Swap Rates. Instead, Admiral simply applies the equivalent financial consideration to the position as if it were rolled over as a Finance Charge Adjustment or Finance Credit Adjustment ('Swap').
23. The Swap for position opened on Wednesday and held open Overnight is three times that of other days; the reason for this is that the Value Date of a trade held open Overnight on a Wednesday would normally be Saturday, but since banks are closed, the Value Date is Monday and the Client incurs an extra 2 (two) days of interest. From Friday to Monday swap is charged once. For some products this additional Swap is charged on Fridays. When trading in Admiral Products you need to refer to detailed specification of the Admiral Product to make sure you are familiar with applicable rates and principles of finance charge / credit adjustments.
24. No Finance Charge/Finance Credit is paid or received if you open and close an FX Product or Metals Product position on the same day.

## Cost of conversion

25. You will incur a conversion cost when converting to your Account Currency being Australian Dollars. This occurs each time there is a conversion from a Transaction denominated in a currency different from the Account Currency being Australian dollars. The conversion cost charged is up to a maximum of 100 basis points (1.00%) of the Transaction's full face value being converted and is adjusted in the realised profit or loss.

## External Fees, Taxes and Charges

26. You are responsible for any stamp duty, transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by Admiral). Bank charges and fees imposed on Admiral to clear your funds or in respect of your payments will also be charged to your Account.
27. The Account Terms may allow Admiral to impose other fees or charges from time to time which do not relate directly to Transactions (and so are not costs, fees or charges for acquiring or later dealing in the Admiral Product itself). For example, you may be required to pay royalty or similar charges set by data providers for your use of information feeds or for online transaction services. Admiral may debit these amounts to your Trading Account.

## Negative account balance policy for wholesale clients

28. When trading financial products on margin, it is possible to reach an account deficit state, i.e. a situation when the account's balance is negative, for instance where a leveraged exposure loses more than the value of the Free Margin on the account. This Policy provides the framework and circumstances under which Admiral may relieve Clients who have incurred a Negative Balance on their Accounts.
29. The Negative Account Balance Policy applies to individual Wholesale clients only. For the avoidance of doubt, this Policy does not apply to Wholesale Clients who are legal entities, including but not limited to those who are subject to supervision by a financial services regulator or to funds managed by such a company or to legal entities that are Professional Investors by virtue of being a large undertaking.
30. If we choose to provide you with a relief under this policy, we will do this at our absolute discretion and not as part of our obligations arising from any legislative instrument or regulatory framework.

The provision of protections under this policy at any particular time does not create any entitlement for you to their continued provision in future and does not affect our right to treat you as a wholesale client.

#### How we apply this policy to individual Wholesale clients

31. If an eligible Wholesale Client has incurred a Negative Balance and is seeking relief, the Client must inform the Admiral local customer services by email, no later than 2 business days after incurring the Negative Balance. Admiral will evaluate the inquiry and at its discretion may take the following actions:
  - a. set all account balances to zero (if under AUD 100,000); or
  - b. set account balances to the outstanding figure once it has been increased by AUD100,000 or equivalent in foreign currency; or
  - c. do nothing – in which case the client will need to make additional deposits if they wish to continue trading.
32. The Wholesale Client will forfeit all realised and unrealised profits on individual trades or individual accounts should they rely on the Negative Account Balance Policy relief provided by Admiral.
33. This Negative Account Balance Policy is a right to be exercised by Admiral and not an obligation. Admiral may refuse to extend relief for any Negative Balance by any Wholesale Client.
34. You agree that the determinations and discretions exercised hereunder by Admiral and any reasoning provided shall be excluded from merits review in any dispute resolution forum.
35. If the Wholesale Client has more than one account, including currency wallet accounts, the balances will be netted. Admiral may take as much time as it requires to investigate and make any determination or exercise any discretion available under this policy. Admiral shall not be liable for any losses due to delay.

36. Subject to these terms and Admiral's absolute discretion, the Wholesale Client may request Negative Account Balance Policy relief as many times as they like, however each request is limited to a Negative Balance of AUD 100,000 or equivalent in foreign currency. The Wholesale Client remains liable for any Negative Balance thereafter.

37. The provisions of this policy shall not apply where:

- a. negative balance has occurred in what ADMIRAL in its sole discretion considers to be abnormal market conditions or exceptional market movements/volatility;
- b. Admiral has determined that the negative balance is unrelated to the Wholesale Client's trading activity (for example, where the negative balance relates to any fees or charges of Admiral);
- c. the Wholesale Client deals through a credit arrangement or bonus arrangement provided by the Admiral;
- d. the Negative Balance is connected to or a result of, either direct or indirect, the Wholesale Client's breach of any provision of the Terms and Conditions of Admiral or from the breach of the market rules or practice, including but not limited to the laws of the Wholesale Client's country of origin or Wholesale Client's country of residence;
- e. in its sole and absolute discretion, Admiral considers that the Wholesale Client has abused the relief afforded pursuant to this Policy to Admiral's detriment which, without limitation, includes a situation where a Wholesale Client is pursuing a strategy whereby the Wholesale Client would benefit from such relief whilst holding, himself or in cooperation with another Client, other positions with us which benefit the Wholesale Client in the event the relief is or might be triggered;
- f. Admiral has previously notified the Wholesale Client that he is excluded from this Policy;

- g. there is an event arising as described in the following: the acts, omissions or negligence of any multilateral trading facility, organised trading facility, regulated market, liquidity provider or intermediate broker;
- h. in Admiral's sole and absolute discretion, it determines that the Negative Balance is connected to a Force Majeure Event - an act of God, war, terrorism, malicious damage, civil commotion, industrial acts, any exceptional market event, or acts and regulations of any governmental or supranational bodies or authorities which in the opinion of Admiral, prevent an orderly market in relation to the Client's Orders.