

Purpose

This document is aimed at providing you with key information regarding this specific investment product and should not be taken as marketing material. It is a legal requirement to provide this information in order to help you understand the nature, risks, costs, potential gains and losses related to this product and to enable you to compare this product against other products on offer.

Contract for difference ("CFD") on a Cryptocurrency is offered by **Admiral Markets UK Ltd.** (hereinafter "AM", "we" or "us"), a company registered in England and Wales under Companies House – registration number 08171762. Admiral Markets UK Ltd. is authorised and regulated by the Financial Conduct Authority (FCA) – registration number 595450. The registered office for Admiral Markets UK Ltd. is: Tower 42, 25 Old Broad St, London EC2N 1HN, United Kingdom. Please call +442077264003 or go to www.admiralmarkets.com for more information.

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 **You are about to purchase a product that is highly sophisticated and may be difficult to understand.**

What Is This Product?

A contract for difference ("CFD") is a leveraged derivative contract entered into directly with AM. It allows an investor to speculate on rising or falling prices in the underlying cryptocurrency without owning the underlying asset.

An investor has the option to buy (or go "long") the CFD in an attempt to benefit from rising cryptocurrency prices; or to sell (or go "short") the CFD to benefit from falling cryptocurrency prices. CFD price is derived from that of the underlying cryptocurrency price. For example, if an investor is long a Bitcoin CFD and the price of Bitcoin rises, the value of the CFD will increase in turn. Once the contract is over, AM will pay the investor the difference between the closing value of the contract and the opening value of the contract, i.e. the investor's profit. On the other hand, if an investor is long and the cash price of Bitcoin falls, the value of the CFD will decrease – so, at the end of the contract the investor will pay AM the difference between the closing value of the contract and the opening value of the contract.

Cryptocurrency CFDs must always be settled financially and cannot be settled by the physical or deliverable settlement of any other cryptocurrencies. CFD leverage also has a magnifying effect on both profits and losses.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying cryptocurrency (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the underlying cryptocurrency. The exposure is leveraged because the investor only needs to deposit a small proportion of the total value of the contract as an initial margin.

For example, if an investor buys 2.0 CFDs, each representing 1 Ether, with an initial margin amount of 50% and an underlying cryptocurrency price of USD 500, the initial investment will be $USD\ 500 \times 2.0 \times 1.0 \times 50\% = USD\ 500$. The effect of leverage, in this case 1:2 (1 / 50%) has resulted in a notional value of the contract of USD 1,000 (USD 500 per Ether x 2.0 contracts x 1.0 Ether per contract).

This means that for each one point change in the price (i.e. a change by 0.01) of the underlying cryptocurrency, the value of the CFD changes by USD 0.02. For instance, if the investor is long and the market increases in value, a USD 0.02 profit will be made for every one point increase in that market. Conversely, if the market decreases in value, a USD 0.02 loss will be incurred for each point that the market decreases in value. On the other hand, if an investor holds a short position, a profit is made in-line with any decreases in that market, and a loss for any increases there.

The cryptocurrency CFD does not have a pre-defined maturity date and is therefore open-ended. The length of the holding period is at the discretion of each individual investor, based on their trading strategy, style and intended outcome – there is no recommended length for this period of time.

Automatic closure of a CFD may occur if an investor fails to deposit additional funds to meet the margin requirement as a result of a negative price movement. This occurs when account's equity decreases to a certain percentage of the initial margin amount.

The Intended Retail Investor

This product is intended for investors who already have an understanding and previous experience in dealing with leveraged products. Before investing, investors should understand how CFD prices are derived, the concepts of margin and leverage, and the possibility of capital loss. They should also be aware of the risks and rewards of CFDs compared to buying the underlying asset directly. Investors should have the financial means to bear the loss of the amount invested, subject to the negative balance protection offered by the Company.

What Are the Potential Risks and Returns?

Risk Indicator

The risk indicator is a summary of the level of risk that this product has when compared to other products. It signifies how likely it is that the product will lose money because of market movements or because we are not able to pay you.

We have deemed this product to be 7 out of 7, which is the highest possible risk class. This rates the potential losses from future performance of the product at a very high level.

CFDs are leveraged products that, due to movements within the underlying market, can rapidly generate losses. Losses can total the amount invested and may, potentially requiring you to deposit additional funds. AM offers protection to retail investors against account deficits, as per [Negative Account Balance Protection Policy](#). However, there is no protection of your capital against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final sum you may receive in return depends on the exchange rate between the two currencies. This risk has not been considered in the risk indicator you can see above.

Conditions in the market may mean that your CFD trade on a cryptocurrency is closed at a less favourable price, which could significantly impact the level of returns you receive. We reserve the right to close your open CFD contract if you do not maintain the minimum margin that is required, if you are in debt to AM, or if you contravene market regulations. This process may be automated.

Future market performance is not protected against, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "What happens if Admiral Markets UK Ltd. is unable to pay you"). The risk indicator you can see above does not consider these protections. You should also be aware of other risks, including counterparty risk, margin rates and leverage. Full details are in our [Risk Disclosure](#).

Performance Scenarios

The scenarios outlined in this section are designed to show you how your investment could perform. It would be good practice to compare them with the relative scenarios of other products. These scenarios are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.

The following assumptions have been used to create the scenarios in Table 1:

Cryptocurrency CFD (held intraday)		
Cryptocurrency opening price:	P	500
Trade size:	TS	2
Margin:	M	50 %
Margin requirement (USD):	MR = P x TS x M	500
Notional value of the trade (USD):	TN = MR / M	1 000

Table 1

LONG Performance scenario	Closing price (bid)	Price change	Profit/Loss (USD)	SHORT Performance scenario	Closing price (offer)	Price change	Profit/Loss (USD)
Favourable	575	15%	150	Favourable	425	-15%	150
Moderate	525	5%	50	Moderate	475	-5%	50
Unfavourable	425	-15%	-150	Unfavourable	575	15%	-150
Stress	250	-50%	-500	Stress	750	50%	-500

The figures shown include all product costs. If you have been sold this product by someone else, or have a third party advising you about this product, these figures do not include any costs that you may need to pay to them. Your personal tax situation, which may also affect how much you get in return, is also not taken into account here.

What Happens If Admiral Markets UK Ltd. Is Unable to Pay Out?

In the event that Admiral Markets UK Ltd is unable to meet its financial obligations to a client, the client may suffer a loss. However, in accordance with the UK Financial Conduct Authority (Financial Conduct Authority) Client Assets Sourcebook (CASS), Admiral Markets UK Ltd is required to segregate retail client money from its own funds. Client money is held in segregated accounts and is not available to the firm's creditors in the event of insolvency. If, following an insolvency, there is a shortfall in segregated client funds, eligible clients may be entitled to compensation under the UK Financial Services Compensation Scheme (Financial Services Compensation Scheme). The FSCS provides protection for eligible investment claims of up to GBP 85,000 per person, per firm. Individuals are generally eligible for compensation, and certain smaller businesses may also qualify, subject to the FSCS eligibility criteria. Larger corporate entities are generally excluded from FSCS coverage. Further information on eligibility and coverage is available from the Financial Services Compensation Scheme.

What Are the Costs?

Trading a CFD on an underlying cryptocurrency incurs the following costs:

This table shows the different types of cost categories and their meaning		
One-off entry or exit costs	Spread	The difference between the buy price ("offer price") and the sell price ("bid price") is called the spread. This cost is realised each time you open and close a trade.
	Currency conversion	Any cash, realised profits and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account using the median prices of applicable FX pairs in the trading platform, where the median price is calculated as (offer price + bid price) / 2.
One-off entry or exit costs	Commission	A commission fee is charged on per-trade basis on our CFD products, for more details please visit the Contract Specification section on our website.
Ongoing costs	Daily holding cost	Positions held in your account past 23:59:59 EET will incur a daily overnight holding fee, also known as a swap. This fee can be either positive or negative, depending on the direction of your trade and the instrument. You can find the applicable swap rates for each instrument on our Contract Specification page.
Incidental costs	Distributor fee	We may from time to time share a proportion of our spread, commissions and other account fees with other people including a distributor that may have introduced you.

Please always review our [Contract Specification](#) page before proceeding with any trading through our Company. By executing a trade, you acknowledge that you understand and accept all applicable costs.

How Long Should I Hold it and Can I Take Money Out Early?

As stated above, these products have no recommended holding period, nor cancellation period, and therefore no cancellation fees. Opening and closing a CFD on a cryptocurrency can generally be done at any time during market hours. Please note that holding a CFD on a cryptocurrency for a long term may incur substantial daily holding costs. In rare circumstances, market conditions may temporarily prevent closing a position, in which case you should contact us.

How Can I Complain If I Need To?

If you are dissatisfied with any aspect of the service provided to you by Admiral Markets UK Ltd., you can make a complaint in any of the following ways:

- **By phone:** +44 207 726 4003
- **By email:** compliance.uk@admiralmarkets.com
- **In writing:** Admiral Markets UK Ltd., Tower 42, 25 Old Broad St, London EC2N 1HN, United Kingdom

Further details can be found in the [Complaint Handling section](#) on our website. If you do not feel that your complaint has been resolved satisfactorily, you may refer it to the Financial Ombudsman Service (FOS). See <https://www.financial-ombudsman.org.uk/> for further information.

You can also refer to the European Commission's Online Dispute Resolution Platform; however, we should inform you that it's likely that they will refer you to the FOS.

Other Relevant Information

If there is a lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. You should ensure that your Internet connection is sufficiently strong before trading. The [Documents and Policies](#) section of our website contains important information regarding your account, and you should be familiar with all terms and policies that apply.

Our contract specifications contain additional information on trading a CFD on an underlying cryptocurrency. These can be found on the trading platform and on our website: www.admiralmarkets.com.