

## Admirals Europe Ltd Leverage Policy

**\*Reference to Admirals Europe Ltd shall always interpreted as "Admirals Europe Ltd (previously named as Admiral Markets Cyprus Ltd)"**

**Valid as of 29.05.2024**

### 1. Introduction

Admirals Europe Ltd (hereinafter referred to interchangeably as the **"Company"**, **"we"**, **"us"**, **"our"**) is a Cypriot investment firm, duly incorporated in the Republic of Cyprus under incorporation number HE 310328 and is authorized and regulated by the Cyprus Securities and Exchange Commission (the **"CySEC"**) under license number 201/13.

### 2. Scope

This leverage and margin policy (hereinafter referred to as the **"Policy"**) sets out how we set leverage and margin levels and procedures when our retail clients (hereinafter referred to interchangeably as the **"Clients"**, **"you"**, **"your"**) trade in financial contracts for differences (hereinafter referred to as the **"CFDs"**) with the Company. The aim of this Policy is to explain the key aspects of leverage trading with margin, which leverage is made available by the Company depending on the Client's knowledge and experience, as well as in accordance to regulatory requirements. It is hereby clarified that the Policy does not apply to professional clients or eligible counterparties (as defined in the Law to which reference is made in paragraph 3 of the Policy), due to the fact that they possess the necessary knowledge and experience to understand the risks involved when investing in complex products such as CFDs.

### 3. Legal and Regulatory Framework

This Policy is issued pursuant to, and in compliance with, the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (hereinafter referred to as the **"MiFID II"**) and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus (N. 87(I)/2017) which transposed MiFID II into Cypriot legislation (hereinafter referred to as the **"Law"**). Furthermore, this Policy complies with the Cyprus Securities and Exchange Commission's (hereinafter referred to as the **"CySEC"**) "Directive DI87-09 regarding the restriction on the Marketing, Distribution or Sale of Contracts for Differences (CFDs) to Retail Clients".

### 4. Company's Commitment

The Company has the duty to:

- 4.1. Set leverage levels that reflect a Client's knowledge and experience when trading in complex financial instruments such as CFDs, given that trading with leverage and margin is a key characteristic of trading in CFDs.
- 4.2. Treat its clients fairly by avoiding aggressive leverage practices towards them.
- 4.3. Have regard to the underlying performance fundamentals of the financial instrument on which

the CFD is based, including historic volatility, depth of market liquidity and trading volumes, market capitalization of the issuer and country of issuer of the underlying financial instrument, its ability to hedge market risk and the general political and economic environment. The Company adjusts and calibrates the above variables in determining the leverage levels it offers for asset classes or financial instruments.

4.4. Have regard to its own risk management appetite and risk bearing capacity and have in place policies, procedures and practices to manage its market risk emanating from such leverage and margin trading by its Clients.

4.5. Apply regulatory requirements and caps as set by the CySEC and/or the European Securities and Markets Authority.

## 5. Factors Considered

The Company takes into consideration the following factors prior providing leverage to its Clients:

5.1. The capital base and financial strength of the Company, as calculated and monitored, based on the Company's capital adequacy.

5.2. The risk appetite and risk management of the Company.

5.3. The asset class and instrument characteristics, including the liquidity and trading volume, volatility, market capitalization, country of issuer, general economic climate and geopolitical events.

5.4. The Client's assessment of appropriateness and financial knowledge.

5.5. The Client's categorization (i.e., retail or professional).

5.6. The Client's knowledge and trading experience: With a series of questions in the account opening application form, the Company determines the Client's financial strength, financial knowledge, trading experience and trading style.

## 6. Leverage Offer Classes

Following the formal adoption of measures on CFDs by the European Securities and Markets Authority and the CySEC, all Clients that demonstrate the appropriate knowledge and experience during the registration process shall have the following maximum leverage settings on their account and shall deposit the following initial margin:

Type of underlying	Leverage Limit	Initial margin required
Major Currency Pairs	30:1	3,33%
Non-major currency pairs, gold and major indices	20:1	5%
Commodities other than gold and non-major equity index	10:1	10%
For individual equities and other reference values	5:1	20%
Cryptocurrencies	2:1	50%

The Company reserves the right to offer even lower leverage rates for particular products or generally of some or all products based on its discretion and market situation.

## **7. Margin Close-Out Protection**

The Company hereby notifies Clients that it is each Client's sole responsibility to monitor the margin level of their positions in real-time via the Company's trading platform or the mobile/tablet application. The Company applies margin close-out protection to all of its Clients trading accounts, ensuring that their margin is not eroded to a point where it is close to zero. The margin close-out protection will be triggered when the sum of funds in the CFD trading account and the unrealized net profits of all open CFDs connected to that account falls to less than half (i.e., 50%) of the total initial margin protection for all those open CFDs.

## **8. Negative Balance Protection**

The Company has established a negative balance protection policy which, in the event where a negative balance occurs in the Client's trading accounts due to stop-out and/or extremely volatile market conditions, the Company will make a relevant adjustment to cover the full negative amount. The Clients are therefore ensured that their maximum losses from trading CFDs are not greater than the capital invested in their trading account.

## **9. Risk Warning**

Trading CFDs is a form of leveraged trading and is highly speculative, complex and involves a significant risk of loss and is not suitable for all investors. CFDs are among the riskiest types of investments and can result in great losses. Prior deciding to trade CFDs, a Client should carefully consider his/her investment objectives, level of experience and risk appetite. While trading CFDs, a Client can sustain a partial or full loss of his/her initial investment. Clients should be aware of all the risks associated with trading CFDs and seek advice from an independent financial advisor if they have any doubts.