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Finantsinspektsioon fined Admiral Markets AS (registry code 10932555) 32,000 euros for breaching its legal obligations in providing investment services. The investment firm changed the conditions of financial instruments signed with clients significantly, unilaterally and without warning. The methodology used for calculating the spot price of crude oil was changed, and at the same time fees for depositing certain securities overnight were raised.

The process and grounds for the changes were not transparent to clients. Clients who held the financial instruments had to reorganise their activities as a result, including accounting for possible missed opportunities to earn income or for unplanned expenses.

Chair of the Finantsinspektsioon Management Board Kilvar Kessler explained that a professional market participant trading in complex financial instruments that provides the service to a wide range of clients must manage and hedge risks and bear the consequent costs. Communication by such companies to clients must be as clear as possible before services are provided. "They must clearly avoid passing on risks unexpectedly and non-transparently to their clients", he said.

Finantsinspektsioon found that Admiral Markets AS had not made every possible effort to act in the best interests of their clients before changing the conditions for the financial instruments. Admiral Markets AS violated § 85(1) 1) of the Securities Markets Act and so committed a misdemeanour under § 23712 (2) of the same act, for which a legal entity may be fined up to 32,000 euros. Admiral Markets AS appealed the decision of Finantsinspektsioon to Harju County Court. Harju County Court cancelled the fine on March 31 and closed the respective administrative proceedings. The Tallinn District Court decided not to change the ruling of Harju County Court and dismissed the appeal of Finantsinspektsioon.

This information is disclosed by Finantsinspektsioon under § 54 (5) of the Financial Supervision Authority Act and § 230 (4<sup>1</sup>) of the Securities Market Act.