Terms and Conditions

Trading terms and conditions

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1. Trading platforms

1.1 After signing up with Deriv the following trading platforms are available: DTrader and DMT5.

1.2 Each of these platforms provides different trading opportunities and sets of trading products. Thus, one must expect that everything (e.g., pricing, set of features etc.) will be different too.

2. Trading rules

2.1 General trading rules

2.1.1 We may impose certain rules and restrictions on the placing of market orders on Deriv. Such rules may change from time to time according to market conditions and other factors.

2.1.2 We might provide you with written information from time to time by publishing it on our website or in any other way. We will try to make sure that this information is complete and accurate, but it will never contain investment advice or recommendations from us.

2.1.3 If you are employed in the banking and/or finance sector, you must not conduct trades through Deriv unless your employer is aware of your trading and the practice is not against your employer's policies.

2.2 DTrader

2.2.1 Introduction

2.1.1.1 You can trade more than 50 assets in the form of binary options, Multiplier Options, and lookback options on DTrader.

2.2.2 Options

2.2.2.1 A binary option is a type of option with a fixed payout in which you predict the outcome from two possible results. If your prediction is correct, you receive the agreed payout and if not, you lose your initial stake. You are not buying or selling an actual asset, only a contract that determines how that asset performs over a period of time.

2.2.2.2 Binary options include real markets (forex, indices, and commodities) as well as synthetic markets (Synthetic Indices).

2.2.2.3 Synthetic Indices mimic real-world market volatility and are available for trading round the clock.

2.2.2.4 Contract payouts

- We shall determine contract payouts by reference to the market quotes as displayed on the website relevant to the underlying index(ices) of the contract(s) or from the interbank trading data that we receive for forex quotes or commodity prices as displayed on the website, provided that we have the right to make corrections to such data in the event of mispriced or typographically incorrect data. You should note that different markets may close at different times during the day due to local trading hours and time zones.

- We calculate the price that you will pay (or the payout that you will receive) for financial trades on Deriv by using our best estimate of market price movements and the expected level of interest rates, implied volatilities, and other market conditions during the life of the financial trade. The calculation is based on complex mathematics and includes a bias in our favour.

- The financial trade prices (or the payout amounts) that we offer you when you are speculating on the market or index prices may be substantially different from the prices available in the primary markets where the relevant commodities or trades are traded. This potential difference is due to the bias favouring us in the price calculation system mentioned in the previous paragraph.

- The charting data that we offer you is indicative only and may at times differ from the real market values. Our decision as to the calculation of a financial contract price will be final and binding. We allow the option to sell contracts before the expiry time of some contracts but will not be obliged to do so and can suspend this option depending on the current market conditions. Contracts may be amended when the underlying asset value is adjusted by corporate actions during the contract period.

- If a disruption occurs in the data feeds that we cannot readily rectify, we reserve the right to refund the contract purchase.

2.2.2.5 Trading limits

- We reserve the right to have risk limits in place, which affect your trading limits and may not be limited solely to instruments and contract types.

- We may also impose volume trading limits on your account at our sole discretion. Trading volume limits can be viewed in the Account limits section of your account. If the account balance exceeds the maximum account size, then withdrawals must be made to bring the balance down to under this limit.

- Certain limits are put on the acceptable levels for barrier and strike prices of trades. Typically, the barrier and strike prices may not be too close or too far from the current underlying market level.

2.2.2.6 Real market option limits

- Usually, trades are not offered in the last hour of trading in any given market or when the underlying market is at its intraday high or intraday low.

- Typically, trades are not offered during the first 10 minutes of market trade.

- During fast markets (periods of very fast market movements), trades may be offered at prices more unfavourable to you than those offered in usual market conditions.

- Some trades may not expire on a weekend; therefore, the expiry date of a trade may be pushed back to the following Monday if a trade expiry date falls on a Saturday or a Sunday.

- The closing times that we define for forex quotes are shown in the market opening times section of the website. In the event of any dispute regarding market or settlement values, our decision shall be final and binding. You should note that certain markets (such as indices) are not open throughout the day and that trading may not be available when the markets are closed.

- Market prices are updated at most once per second. If more than one tick is received in a particular second, the market price on our data feed is updated to the first valid tick received.

- We do not guarantee the ability to sell a trade prior to its expiration time.

2.2.2.7 DBot

- DBot allows you to build a trading robot to automate your trading. To learn more about how DBot facilitates building your trading robots, you can visit this page.
- You can use the trading robots that you build on DBot to automate your trading on real markets (forex, indices, and commodities) as well as synthetic markets (Synthetic Indices).

2.2.3 Multiplier Options

2.2.3.1 In Multiplier Options, you can select a multiplier and a stake, predict whether the price will go up or down to open a position, and if the market moves according to your prediction, close the position to make a profit. If the market moves against your prediction, closing the position will result in a loss. The amount of the profit or loss depends on the change in the market price and the multiplier.

2.2.3.2 When you want to open a position, you have the choice to purchase a 'Cancel deal' option for an additional sum which is non-refundable. This option allows you to cancel the trade within 60 minutes. You will get back your stake after deal cancellation, but this is only possible within the first hour of opening the position.

2.2.3.3 If you have purchased the 'Cancel deal' option and the market moves against your prediction to the extent that the stop-out level is reached within the first hour, the deal is automatically cancelled and your stake is returned to you without any need for supervision or intervention on your part.

2.2.3.4 A commission, which factors in the spot price, stake, and multiplier, is reflected in the profit/loss calculation.

2.2.3.5 The prices that are factored in the profit/loss calculation are execution prices. This means that whenever you give an order, the market price at the exact moment of the order execution is used.

2.2.3.6 If you select 'Take profit' and specify an amount that you'd like to earn, your position will be closed automatically (at the market price) when your potential profit reaches or exceeds this amount.

2.2.3.7 If you select 'Stop loss' and specify an amount to limit your loss, your position will be closed automatically (at the market price) when your potential loss reaches or exceeds this amount.

2.2.3.8 In Multiplier Options, your loss never exceeds your stake. The stop-out level on the chart indicates the price at which your potential loss equals your entire stake. When the market price reaches this level, your position will be closed automatically. As a result, your loss can never be more than the amount you paid to purchase the contract.

2.3 DMT5

2.3.1 General

2.3.1.1 A DMT5 account will be available to you only after signing up with Deriv.

2.3.1.2 DMT5 is a multi-asset platform enabling trading on margin.

2.3.1.3 If your DMT5 demo account remains inactive for more than 30 days, it will be deleted.

2.3.1.4 If your DMT5 real account remains inactive for more than 90 days, it will be archived. To re-activate your archived real account, please contact our Help desk.

2.3.1.5 All assets provided on DMT5 trading platform are CFDs, which means that the profit or loss is made based on the open and closing trade price difference of an underlying asset and no physical delivery of any underlying asset is made.

2.3.1.6 The list of underlying assets includes FX currency pairs, commodities, cash indices, cryptocurrencies and Synthetic Indices. We determine this list and can change it at any time at our sole discretion.

2.3.2 Margin and leverage

2.3.2.1 Margin is calculated as a percentage of the value of the position you intend to open. Margin trading allows you to trade with leverage, i.e., trade a larger position than your existing capital.

2.3.2.2 Leverage is a multiplier, showing how many times the volume of your trade can be greater than the margin required to maintain it.

2.3.2.3 Depending on the type of account, the leverage applied may vary. All instruments may have their own leverage. For margin calculations, the lowest leverage will be used.

2.3.2.4 If your margin level is less than the margin level set for your account, you have entered into “Margin Call” and you are required to make your margin level higher than the account’s stop out level. If your margin level reaches the stop out level or drops below it, we may close your open positions forcefully and automatically, with or without your prior consent.

2.3.2.5 You acknowledge that it is your responsibility to monitor your account balance and margin requirement. You may not be able to place an order to open a trade until there is sufficient account equity to cover the total margin in your DMT5 real account. You should continuously meet margin requirements to keep your positions open. We are not under any obligation to keep you informed (i.e., to make a Margin Call).

2.3.2.6 Reserved margin can increase/decrease based on the aggregated size of your open position determined by the volume (number of lots), position’s value in your account currency, position opening price, and the percentage that we assign for a particular instrument.

2.3.2.7 Margin requirements published on the website are indicative only and we may change them (for both already existing positions and future trades) at our discretion at any time, due to changing market conditions or other factors.

2.3.2.8 Whilst we endeavour to close out your open positions if and when the margin level for your DMT5 real account reaches or falls below the stop out level, we do not guarantee that your open positions will be closed when the margin level for your DMT5 real account reaches the stop out level.

2.3.2.9 For perfectly hedged positions, no additional margin will be reserved. However, swaps and other applicable fees can decrease your account equity and thus eventually lead to a stop out as well. In such cases, we reserve the right to close out your hedged positions in order to protect your account equity from decreasing further.

2.3.3 Stop out level

2.3.3.1 If the margin level for your DMT5 real account reaches or falls below the stop out level, this will be classified as an event of default. In such circumstances, open positions are automatically closed in the following order: the position with the largest loss gets closed first. Open positions get closed until your margin level becomes higher than the stop out level.

2.3.3.2 The default stop out level applicable to your account is published on our website. However, we may, at our absolute discretion, change the default stop out level. Any changes to the stop out level will take effect immediately. We will endeavour to notify you of an alteration to the default stop out level by publishing the revised default stop out level on our website. It is your responsibility to check our website regularly and remain informed about the default stop out level.

2.3.3.3 The stop out level applicable to your DMT5 real account may differ from the default stop out level published on our website.

2.3.4 Negative balance protection

2.3.4.1 We have a stop out policy that prevents you from losing more than you have deposited. However, if your open positions are not closed when the margin level for your DMT5 real account reaches the stop out level, we, at our sole discretion, may waive your negative balance by crediting your account if your account balance goes into a negative balance. The negative balance is determined by adding all the negative balances that you get over a 24-hour period across all of your accounts. You acknowledge that, unless you are a retail customer of Binary Investments (Europe) Ltd, our offer of the negative balance protection to you is at our sole discretion and we reserve the right to change the features and eligibility criteria of the negative balance protection practice at any time.

2.3.4.2 The provisions of negative balance protection do not apply in the following situations:

- When a force majeure event occurs
- When the market conditions or market movements/volatility are abnormal
- When you open a trade that is considered prohibited
- When the negative balance is connected to or a result of functional limitations and/or malfunction of the DMT5 trading platform
- When a negative balance results from your breach of any of the terms of this agreement

2.3.5 Costs of trading

2.3.5.1 In DMT5, two prices are available: the ask price, which is the buying price, and the bid price, which is the selling price. The difference between the ask price and the bid price is called the spread. This cost is realised each time you open and close a trade.

2.3.5.2 Spreads vary depending on market conditions. They may also be widened at the daily bank rollovers. While we try to maintain a competitive spread, it may widen significantly in some circumstances. We may, at our reasonable discretion, change the spread.

2.3.5.3 All prices for financial instruments quoted on our website are real market prices and are therefore regarded as firm prices. Any slippage (the difference between the order price and execution price when orders are filled) from the shown price during the execution of the order is considered as consequential. Slippage may increase significantly at the daily bank rollovers.

2.3.5.4 A commission might apply to cryptocurrency trades.

2.3.5.5 A fixed annualised fee applies to both long (buying) and short (selling) positions on cryptocurrencies in case they stay open overnight.

2.3.5.6 If you keep any other financial instruments trading positions open overnight, an interest adjustment will be made to your trading account to compensate for the cost of keeping your position open. The interest adjustment (or swap rate) is charged daily. It is based on interbank lending rates, in addition to a 2% fee that is charged for every night that your position is held. The swap rate also depends on the time and days that you hold your positions open:

- If you keep a position open past 23:59:59 GMT, you will be subjected to the basic swap rate.
- Since it takes two days for forex transactions to settle, positions that are still open on Wednesday at 23:59:59 GMT will be charged three times the swap rate to account for weekends – a standard practice for all forex brokers.

- Our swap rate may also be adjusted to take holidays into account.

3. Data feeds and quotes

3.1 Our data feeds are slightly different from those of others for the following reasons:

- All instruments are offered on over-the-counter ("OTC") markets, where banks and other major financial institutions trade currencies amongst themselves without there being any central clearing house. Accordingly, there is no 'official' price source for forex quotes. Different data feeds will contain quotes from a different subset of international banks, so the resulting prices will also be different.

- Market-closing time influences data feeds as well. The exact time of settlement for all trades can be found on our Trading times page. Other websites may adopt a different convention (for example, some websites choose 4 o'clock NY time or 5 o'clock London time). As a result, the open, high, low, and closing prices displayed on our website may differ from those on other websites.

- Bid and ask prices also create differences in data feeds. When the market is illiquid, the data feed may contain many bid and ask prices, without there actually being any traded price for quite a while. By taking an average of the bid/ask price (i.e., bid + ask, divided by 2), a market quote is generated that reflects the current market, without it actually being a traded price. Our system will generate prices from these bid and ask prices, whereas other websites might not. As a result, our website might display ticks that do not appear in the data feeds of other websites.

3.2 Weekend quotes are ignored for the purpose of trade settlement. During weekends, the forex markets may occasionally generate prices; however, these prices are often artificial (traders sometimes take advantage of the illiquidity of the markets during weekends to push prices up or down). To avoid settling prices based on such artificial prices, it is our policy not to count weekend prices towards trade settlement values (except for Synthetic Indices, which are open during weekends).

3.3 Depending on the quality of the data feeds received from our feed providers, our servers might apply a tick filtering algorithm. The purpose of this filtering algorithm is to strip the feed of stray ticks. Stray ticks are ticks that manifestly fall outside of the current trading range of the market; such ticks are often due to communication delays with the exchanges or banks that provide quotes, human error, or database problems at any point between the originator of the quote and our servers.

3.4 Depending on the quality of the feeds received from our feed providers, our servers might also apply a very short-term smoothing algorithm to the data feed. This smoothing algorithm removes a little of the 'random noise' surrounding the data feed and ensures that if you buy path-dependent contracts (such as the one-touch or barrier-range contracts), you will not have your contracts knocked in or knocked out by random short-term market noise that does not reflect the true market price.

4. Manifest errors

4.1 If we believe that you have entered into a trade at prices that do not reflect fair market prices or at an abnormally low level of risk due to a manifest error (an obvious error), we have the right to cancel the trade or amend the contractual terms of the trade.

4.2 To decide if an error is a manifest error or not, we may take into account any relevant information, including the state of the underlying market at the time of the error and any internal error or lack of clarity of any information source or pronouncement. You have a duty to report to us any such problems, errors, or suspected system inadequacies that you may experience. You should not abuse or arbitrage such system problems or errors for profit. We will try to resolve any such difficulties in the shortest time possible.

4.3 Any amendments to the contractual terms of manifestly erroneous trades shall be reasonable and fair and may involve closing or opening of positions and placing or deleting orders without your involvement, making changes in open positions, deleting trades from trading history, etc.

4.4 Monies exchanged between you and us in connection with the manifestly erroneous trades shall be returned to the recipient according to the amendments made to the terms and conditions of this agreement.

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