

Terms and conditions

Trading terms

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Trading terms

When you open an account on Deriv, you can trade options, multipliers, and contracts for difference (CFDs). Here you will find the terms and conditions that deal more specifically with trading on Deriv, including those regarding our trading rules, pricing policy, payouts, manifest errors, margin, and leverage.

1. General

- 1.1. We have a general duty to conduct our business with you honestly, fairly, and professionally and to act in your best interests when opening and closing trades with you.
- 1.2. 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.
- 1.3. We might provide you with written information from time to time by publishing it on our website or in any other way. We make no warranties as to the accuracy of this information. This information shall under no circumstances constitute or contain any investment advice or recommendations from us.
- 1.4. If you use any third-party service provider for trading, it will be your sole responsibility to ensure the safety of your account and any trading that is conducted.
- 1.5. 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 does not contravene your employer's policies.
- 1.6. We reserve the right to place risk limits on your account, which may affect your trading. These limits may not be restricted to instruments and trade types. We may also impose trading volume limits on your account at our sole discretion.
- 1.7. We have the right to suspend our services or terminate or reverse any trade in any circumstances where we, at our sole discretion, decide that prices may not be accurate or cannot otherwise be determined. These situations include, but are not limited to, the following:
 - 1.7.1. When, as a result of political, economic, military, or monetary events (including unusual market volatility or illiquidity) or any circumstances outside our control, responsibility, and power, our continued operation is not reasonably possible without significantly harming our interests
 - 1.7.2. If we determine that a price cannot be calculated for contracts
 - 1.7.3. When any means of communication normally used in determining the price or value of any of the contracts we offer breaks down
 - 1.7.4. When we decide that the price or value of any of the contracts we offer cannot be quickly or accurately determined
 - 1.7.5. When there is an error in trading software or any other IT system
- 1.8. Corporate actions

- 1.8.1. A corporate action can include but is not limited to assimilation, acquisition, bankruptcy, bonus issue, bonus rights, cash dividend, class action, delisting, de-merger, general announcement, initial public offering (IPO), liquidation, merger, change in par value, scheme of arrangement, stock dividend, stock split, return of capital, and reverse stock split.
- 1.8.2. One or more of your trades may be affected by corporate action. In that case, we may take one or more of the following measures:
 - 1.8.2.1. Credit an amount to or debit an amount from your account
 - 1.8.2.2. Restrict your account to prevent you from closing any affected trades until the corporate action is passed
- 1.9. Manifest errors
 - 1.9.1. If we have reason to believe that you have entered into a trade at a price that does not reflect a fair market price or is acquired or sold at an abnormally low level of risk due to an undetected programming error, bug, or glitch in our website software, market data feed, or due to contract pricing latency, data feed error, stray quote, incorrect pricing parameter, manifest miscalculation of prices, or other obvious error ("Manifest errors"), we have the right to cancel or reverse transactions or change the contractual terms of that trade.
 - 1.9.2. 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 will not abuse or arbitrage such system problems or errors for profit.
 - 1.9.3. Any amendments to the contractual terms of any executed manifestly erroneous trades shall be reasonable and fair. These amendments may be done without your involvement and may require actions that include, but are not limited to, the following: closing or opening positions, placing or deleting orders, making changes in open positions, and/or deleting trades from trading history.
- 1.10. Conflicts policy
 - 1.10.1. We aim to establish, maintain, and operate effective organisational and administrative arrangements to ensure that we take all reasonable steps to prevent any conflicts of interest.
 - 1.10.2. Due to the high degree of risk involved, which could result in the loss of your entire investment, we have adequate internal procedures in place to make sure that you are, in all cases, treated fairly and that the risk of damage to your interests is reduced.
 - 1.10.3. In some of our activities, major conflicts can arise or have arisen. We try to keep a record of activities that might give rise to a conflict of interest. We also have procedures to manage actual or potential conflicts. These include procedures to keep appropriate independence among members of our staff who are involved in potentially conflicting activities. The following are some of the ways we use to uphold such independence:
 - 1.10.3.1. Employing information barriers
 - 1.10.3.2. Physical separation of staff

- 1.10.3.3. Segregation of duties and responsibilities
- 1.10.3.4. Maintaining a policy of independence, which requires our staff to act in your best interests and disregard any conflicts of interest when providing you with our services, or in some circumstances to decline to act for you or a potential client in order to avoid conflicts of interest

If you wish to know about the conflicts of interest policy in more detail, email your request to compliance@deriv.com.

2. Options and multipliers

2.1. Trading restrictions

2.1.1. You understand that our options and multipliers trades are offered under the following limitations:

- 2.1.1.1. Digital options and multipliers trades are not usually offered in the last hour of trading in any given market.
- 2.1.1.2. Digital options and multipliers trades are not usually offered during the first 10 minutes of market trading.
- 2.1.1.3. During periods of high volatility (very fast market movements), digital options and multipliers trades may be offered at prices more unfavourable to you than those offered under usual market conditions.
- 2.1.1.4. Certain limits may be put on the acceptable levels for barrier and strike prices of digital options trades. In the case of digital options, the barrier and strike prices may typically not be too close or too far from the current underlying market level.
- 2.1.1.5. For multipliers trades, certain limits may be imposed on the acceptable range of multipliers and the duration range of deal cancellation.
- 2.1.1.6. Market prices are updated at most once per second. If more than one tick is received in any given second, the market price on our data feed is updated to the first valid tick received.
- 2.1.1.7. We do not guarantee the ability to sell a digital options trade prior to its expiration time.
- 2.1.1.8. Different markets may close at different times during the day due to local trading hours and time zones.
- 2.1.1.9. Certain markets (such as indices) are not open throughout the day, and trading may not be available when the markets are closed.

2.2. Data feeds and quotes

2.2.1. You acknowledge that our data feeds may slightly differ from those of others for the following reasons:

- 2.2.1.1. For all instruments that are offered on an over-the-counter (“OTC”) basis (without the use of a central clearing house), e.g. foreign exchange (“FX”), there is no ‘official’ price source. Different data feeds will contain quotes from different sources, so the resulting prices will also be different.

- 2.2.1.2. Market-closing time influences data feeds. The exact time of settlements for all trades on our website may be different from other websites because of the different conventions they may adopt (for example, some websites choose 4:00 pm NY time or 5:00 pm London time). As a result, the open, high, low, and closing prices displayed on our website may differ from those on other websites.
 - 2.2.1.3. Bid and ask prices create differences in data feeds. When the market is illiquid, the data feed may contain many bid and ask prices, even though there are no recent traded prices available. 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 necessarily deriving from a recently traded price. Our system will generate prices from the 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.
 - 2.2.2. Weekend quotes are ignored for the purpose of trade settlement. During weekends, the FX 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, our policy is to not count weekend prices towards trade settlement values (except for synthetic indices and cryptocurrencies, which are open during weekends).
 - 2.2.3. 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 market's current trading range; such ticks often arise due to communication delays with an exchange or bank that provides quotes, human error, or database problems that may arise at any point between the originator of the quote and our servers.
 - 2.2.4. We reserve the right to make corrections to trading data if they contain any mispriced or typographically incorrect data.
- 2.3. Options and multipliers pricing
- 2.3.1. We use 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 to calculate the following:
 - 2.3.1.1. The price that you pay and the payout that you receive for digital options trades
 - 2.3.1.2. Commissions and cancellation fees on multipliers trades
- The calculation is based on complex mathematics and includes a bias in our favour.
- 2.3.2. We make sure that we execute options trades at a price indicated or lower. During rapid market movements, the pricing may change, and we shall either execute at zero slippage or positive slippage (more favourable to you). If a trade exhibits negative slippage beyond an acceptable threshold, the trade will be rejected.
 - 2.3.3. The charting data that we provide is solely indicative and may differ from real market values.
 - 2.3.4. If corporate actions cause an underlying instrument's value to change, trade prices may also change.
 - 2.3.5. If there is any dispute over the calculation of a financial trade price or the market or settlement values, our decision shall be final and binding.

3. Contracts for difference (CFDs)

3.1. Margin and leverage

- 3.1.1. Depending on the type of account that you hold, the leverage applied may vary. All instruments may have their own leverage.
- 3.1.2. It is your responsibility to make sure that you have enough balance in your account to cover any margin needed for opening a position.
- 3.1.3. To protect your portfolio from adverse market movements due to the market opening gap, we reserve the right to decrease leverage on all offered symbols for financial accounts before the market closes and increase it again after the market opens. It is your responsibility to ensure having enough funds available in all of your Deriv MT5 and Deriv X accounts to support your positions at all times.

3.2. Stop out level

- 3.2.1. A stop out level may be applied in different circumstances, which include but are not limited to the following:
 - 3.2.1.1. The server may analyse any orders that are not under execution at the moment.
 - 3.2.1.2. The server may delete the orders with the largest margin.
 - 3.2.1.3. If your margin level is still under the stop out level, the next order may be deleted (orders without margin requirements are not deleted).
 - 3.2.1.4. If your margin level is still under the stop out level, the server may close the position with the largest loss.
 - 3.2.1.5. Open positions may be closed until your margin level becomes higher than the stop out level. Additionally, for fully hedged positions, stop out may be performed on accounts having open positions, zero margin (covered positions), and negative equity.
 - 3.2.1.6. 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 in your real money account. Any changes to the stop out level may take effect immediately, and we will employ our best efforts to provide the latest default stop out level on our website.

3.3. Commissions and charges

- 3.3.1. We apply a cost that is realised each time you open and close a trade, which may widen significantly in some circumstances. This cost predominantly comprises the difference between the buying price and the selling price ("spread"). We may, at our reasonable discretion, change the spread.
- 3.3.2. All prices for financial instruments quoted on our platforms for CFD trading are from liquidity sources available in the market and are therefore regarded as tradable 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 to be a change in underlying prices in the market. Slippage may

increase significantly at the daily bank rollovers. By accepting this agreement, you acknowledge that we do not offer you any frivolous quotes.

3.3.3. If you keep any FX 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 fee that is calculated based on your trade value and charged for every night that your position is held. The swap rate also depends on the amount of time and/or number of days that you hold your positions open:

3.3.3.1. If you keep a position open past the swap calculation time, you will be subjected to the basic swap rate.

3.3.3.2. Since it takes two days for FX transactions to settle, positions that are still open on Wednesday at the swap calculation time will be charged three times the swap rate to account for weekends – a standard practice for all FX brokers.

3.3.3.3. Our swap rate may also be adjusted to take public holidays in any jurisdiction into account.

3.3.4. Swap-free accounts do not incur any swap charges, whether positive or negative, for holding positions overnight.

3.3.5. We do not charge an admin fee for maintaining a swap-free account. However, this condition may change at any time, and we may impose admin fees with prior notice to the clients.

3.3.6. We reserve the right to remove any instrument from the swap-free account offerings upon giving a two-week notice to clients to close any open positions on those instruments.

3.3.7. We reserve the right to switch trading to close-only for some or all of the swap-free account offerings upon giving a two-week notice to clients.

3.4. Order execution

3.4.1. When we execute orders on your behalf, we have a duty to provide you with best execution. Best execution means that we must take reasonable steps to obtain the best possible result for you when executing your order according to your instructions. We will endeavour to follow your instructions as far as reasonably possible, acting in accordance with our duty of best execution. These specific instructions include, but are not limited to, the following:

3.4.1.1. The price at which your order will be executed

3.4.1.2. The timeframe or duration of the contract as defined by your order execution instructions

We always adhere to our best execution obligations and act in your best interest; however, sometimes, your specific instructions might prevent us from achieving the best possible result.

3.4.2. Trade confirmation is in real time: once you click on 'Buy' or 'Sell', your trade is confirmed.

3.4.3. We will act on any instructions that you give us, or appear to give us, in relation to margin trading services provided through the Deriv MT5 and Deriv X trading platforms. However, we are not obliged to act on any instructions that you give us, and we are not obliged to give you any reasons for declining to do so. Instructions that you give us are considered final, and you cannot revoke them. It is your

responsibility to make sure that the instructions you give us are accurate and reflect your trading decisions.

- 3.4.4. Our order execution policy includes a set of procedures designed to obtain the best possible execution result for you. To do so, we consider the following factors:
- 3.4.4.1. Price and cost: The price at which the transaction in relation to your order is executed and the cost of executing your order, which predominantly comprises spreads, are taken into consideration.
 - 3.4.4.2. Speed: Due to the online nature of our business, there is a small delay between an order being entered and the same order being executed on the server. Any significant delay can have negative impacts for you; we, therefore, monitor the latency between the time your order is entered and executed.
 - 3.4.4.3. Likelihood of execution: We seek to ensure that all placed orders are executed; however, this is not always possible due to material difficulties or unusual circumstances. Whenever we become aware of any material difficulty in relation to the proper execution of an order, we will inform you of the issue as soon as reasonably possible.
 - 3.4.4.4. Likelihood of settlement: When markets are volatile, our trading platform runs across a high number of concurrent online users, high volumes of client orders, and a high number of imported price ticks. As part of our best execution policy, we seek to ensure that our platform runs smoothly under such unstable conditions, and we take all reasonable steps to safeguard the continuity and regularity of our services.
- 3.4.5. Our execution policy cannot and does not guarantee that when we enter into trades with you, the price will always be better than a price that is or might have been available elsewhere.
- 3.4.6. For some trades, there may be no functioning or open market or exchange on which the reference product is traded at the time of your order. In such cases, we endeavour to determine a fair underlying price based on a number of factors, such as price movements on associated markets, other market influences, and information about your order.
- 3.4.7. Our commitment to providing you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed on us or as may be otherwise contracted between you and us.
- 3.4.8. We shall regularly monitor the effectiveness of our order execution policy. From time to time, we shall check the venues that form the basis of our trade pricing, and if we detect that best execution is not achieved consistently, we may change our execution arrangements.

