

Terms and conditions

Trading terms

Version E23|09|1

Last updated 04/09/2023

Table of contents

1. General	3
2. Multipliers	5
3. Contracts for difference (CFDs)	7
4. Negative balance protection	8

Trading terms

When you open an account on Deriv, you can trade 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. Each time you enter into a transaction with us, you agree to the following:
 - 1.5.1. You will not enter into any transaction which may constitute market abuse. You are reminded that this applies to all forms of market abuse, including insider dealing, the misuse of information, and market manipulation.
 - 1.5.2. 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.
 - 1.5.3. Your use of the trading platforms provided by Deriv, including each transaction you complete, will not violate any laws, regulations, instruments, or ordinances, including rules that govern the operation of any exchange, financial market, or financial regulatory environment or ethical rules of fair trading.
- 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. We reserve the right to close any account at our sole discretion if we determine that the client and/or any individuals that we identify as their associates are acting in bad faith and/or attempting to gain at Deriv's expense.
- 1.9. We reserve the right to rescind any profits from the client's account or the accounts of any individuals we determine are their associates if we believe those gains were made in bad faith and/or at Deriv's expense.
- 1.10. Prohibited trading activity
 - 1.10.1. You are prohibited from engaging in the following trading activities:
 - 1.10.1.1. Trading that violates any laws, regulations, instruments, or ordinances, including those that govern the operation of any exchange, financial market, or financial regulatory environment
 - 1.10.1.2. Trading while possessing insider knowledge of any financial market or instrument
 - 1.10.2. If we have reason to believe that you have engaged in or are engaging in any prohibited, unlawful, or improper trading activity, we reserve the right to close your account and any open transactions, refund the money you have deposited, and retain any funds you may have accumulated.
- 1.11. Corporate actions
 - 1.11.1. 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.
 - 1.11.2. 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:
 - 1.11.2.1. Credit an amount to or debit an amount from your account
 - 1.11.2.2. Restrict your account to prevent you from closing any affected trades until the corporate action is passed
- 1.12. Manifest errors
 - 1.12.1. 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.
 - 1.12.2. 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.

- 1.12.3. 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.

1.13. Conflicts policy

- 1.13.1. 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.
- 1.13.2. 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.
- 1.13.3. 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:
 - 1.13.3.1. Employing information barriers
 - 1.13.3.2. Physical separation of staff
 - 1.13.3.3. Segregation of duties and responsibilities
 - 1.13.3.4. 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. Multipliers

2.1. Trading restrictions

- 2.1.1. Our multipliers trades are offered under the following limitations:

- 2.1.1.1. Multipliers trades are not usually offered in the last hour of trading in any given market.
- 2.1.1.2. 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), trades may be offered at prices more unfavourable to you than those offered under usual market conditions.
- 2.1.1.4. For multipliers trades, certain limits may be imposed on the acceptable range of multipliers and the duration range of deal cancellation.
- 2.1.1.5. 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 last valid tick received.

2.1.1.6. Different markets may close at different times during the day due to local trading hours and time zones.

2.1.1.7. 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. Entry spots for different trade types are defined as detailed below:

2.2.3.1. For multipliers on FX, the entry spot is defined as the next tick when our servers process the contract.

2.2.3.2. For multipliers on synthetic indices, the entry spot is defined as the latest available tick when our servers process the contract.

2.2.4. 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.

2.2.5. We reserve the right to make corrections to trading data if they contain any mispriced or typographically incorrect data.

2.3. 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. Commissions and cancellation fees on multiplier trades

The calculation is based on complex mathematics and includes a bias in our favour.
- 2.3.2. The charting data that we provide is solely indicative and may differ from real market values.
- 2.3.3. If corporate actions cause an underlying asset's value to change, trade prices may also change.
- 2.3.4. 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. It is your responsibility to make sure that you have enough balance in your account to cover any margin needed for opening a position.
- 3.1.2. We will treat the money that you deposit with us to cover your margin requirements as a client's money. For information on how we treat clients' money, you may refer to the section entitled "Safeguarding clients' money" in our Additional terms.
- 3.1.3. Your margin requirements depend on the instrument class. Different instruments have different margin requirements due to a difference in leverage. As an example, a leverage of 1:30 on EUR/USD will translate into a margin requirement of 3.33% of the total contract value, meaning that a contract value of 100 USD will require a margin of 3.33 USD.
- 3.1.4. If your account balance falls below the margin requirement, we will issue a margin call, at which point you will receive an alert, and you will have the option of either depositing more funds to your account or closing your open positions.
- 3.1.5. In cases where your margin level falls below 50%, that is, your account balance falls to less than half of your margin requirement, we will initiate close out procedures. We will begin to automatically close your positions one by one, starting from the position having the largest unrealised loss and continuing until either the margin level recovers to above 50% or all your positions are closed. For more information on close out, you may refer to the section entitled "Stop out level" below.
- 3.1.6. 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 your Deriv MT5 account 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. When you execute a CFD trade on Deriv MT5, 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. When you execute a multipliers trade on DTrader, we apply a commission that is realised each time you open a trade. The cost of commission applied is based on the notional amount of your multipliers trade (stake multiplied by the selected multiplier value) The maximum commission applied is 0.1% of the notional amount of your trade or a minimum charge of 0.10 cents £/\$/€ in your account's currency.
- 3.3.3. All prices for financial instruments quoted on our platforms for 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 these Terms, you acknowledge that we do not offer you any frivolous quotes.
- 3.3.4. 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:
 - 3.3.4.1. If you keep a position open past the swap calculation time, you will be subjected to the basic swap rate.
 - 3.3.4.2. 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.
 - 3.3.4.3. Our swap rate may also be adjusted to take public holidays in any jurisdiction into account.

4. Negative balance protection

- 4.1. Negative balance protection applies to you according to local regulations. If your balance becomes negative due to Stop Out, automatic compensation will revert your balance to zero.
- 4.2. The provisions of negative balance protection do not apply in the following situations:
 - 4.2.1. When you open a trade that is considered prohibited
 - 4.2.2. When you are a professional client or eligible counterparty
 - 4.2.3. When a negative balance results from your breach of any of the terms of this agreement

deriv