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Terms and conditions

Trading terms

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Trading terms

This document sets out the terms and conditions that deal specifically with trading on Deriv's platforms, including those regarding our trading rules, pricing policy, payouts, manifest errors, margin, and leverage. It forms part of the agreement between you and Deriv and should be read in conjunction with our [General terms of use](#) for clients (the "**General Terms**"). Any defined terms used in these trading terms shall have the meaning given to them in the General Terms. These trading terms do not apply to Financial Consultation Services.

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 trading restrictions and certain rules and limitations on the placing of market orders on our Trading Platforms. We reserve the right to change these restrictions and rules at any time due to market conditions and/or 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. As set out in the General Terms, we make no warranties as to the accuracy of this information, and 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 (e.g. MT5) for trading, it will be your sole responsibility to ensure the safety of your account and any trading that is conducted.

1.5.   You hereby authorise us to act on any instruction given by you on the Trading Platforms. For the purpose of this Clause 1.5, we are entitled to rely upon any electronic communication or instruction received through the Trading Platforms from your account credentials without further enquiry as to the genuineness, authority, or identity of the person giving or purporting to give the communication or instruction. Offers to open or close a transaction by fax, email, or text message will not be accepted.

1.6.   Each time you enter into a transaction with us, you make the following representations to us:

1.6.1.   You are not entering 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;

1.6.2.   You are not employed in the banking and/or finance sector (unless your employer is aware of your trading and the practice does not contravene your employer's policies); and

1.6.3.   Your use of the Services and Trading Platforms, including each transaction you complete, does not violate any laws, regulations, instruments, or ordinances, including rules that govern the operation of any exchange, financial market, financial regulatory environment, or ethical rules of fair trading.

1.7.   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.

1.8.   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:

 1.8.1.   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;

 1.8.2.   If we determine that a price cannot be calculated for contracts;

 1.8.3.   When any means of communication normally used in determining the price or value of any of the contracts we offer breaks down;

 1.8.4.   When we decide that the price or value of any of the contracts we offer cannot be quickly or accurately determined; or

 1.8.5.   When there is an error in trading software or any other IT system.

1.9.   We reserve the right to close any account at our sole discretion if we determine that you and/or any individuals that we identify as your associates are acting in bad faith and/or attempting to gain at Deriv's expense.

1.10.   We reserve the right to rescind any profits from your account or the accounts of any individuals we determine are your associates if we believe those gains were made in bad faith and/or at Deriv's expense.

1.11.   Corporate actions

 1.11.1.   A corporate action can include 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, or 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; or

  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:

  1.12.1.1.   An undetected programming error, bug, or glitch in our Trading Platforms, Website software, or market data feed; or

1.12.1.2.   Contract pricing latency, data feed error, stray quote, incorrect pricing parameter, manifest miscalculation of prices, or some other obvious error,

(each, a "**Manifest Error**"), we have the right to cancel or reverse transactions or change the contractual terms of that trade.

1.13.   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.

1.14.   You have a duty to report to us any problems, errors, or suspected system inadequacies that you may experience on the Trading Platforms or Website. You will not abuse or arbitrage such system problems or errors for profit.

1.15.   We may make amendments to the contractual terms of any executed trades with Manifest Errors in a way that we (acting reasonably) determine to be reasonable and fair. These amendments may be done without your involvement and may require actions that include closing or opening positions and/or deleting trades from trading history.

2.   Contracts for difference ("CFDs")

2.1.   Margin and leverage

2.1.1.   Depending on the type of account that you hold, the leverage applied may vary. All instruments may have their own leverage.

2.1.2.   It is your responsibility to make sure that you have enough balance in your account to cover any margin needed for opening a position.

2.1.3.   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 that you have enough funds available in all of your Trading Platform accounts to support your positions at all times.

2.1.3.1.   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.

2.1.3.2.   If your margin level drops below 50%, i.e. your account balance falls below half of the required margin, we will initiate close-out procedures. Positions will be automatically closed starting with the largest unrealised loss, continuing until your margin level rises above 50% or all positions are closed. For further details, refer to the "Stop out level" section below.

2.1.3.3.   We reserve the right to increase or decrease the leverage applied for your open positions.

2.2.   Stop out level

    2.2.1.   A stop out level may be applied in different circumstances, which include but are not limited to the following:

        2.2.1.1.   The server may analyse any orders that are not under execution at the moment;

        2.2.1.2.   The server may delete the orders with the largest margin;

        2.2.1.3.   If your margin level is still under the stop out level, the next order may be deleted (orders without margin requirements are not deleted);

        2.2.1.4.   If your margin level is still under the stop out level, the server may close the position with the largest loss;

        2.2.1.5.   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; or

        2.2.1.6.   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.

2.3.   It is your responsibility to monitor your account so that you are aware of your potential losses, the margin required, and whether your position is approaching the stop out level, as we will not notify you if this happens.

3.   Commissions and charges

3.1.   When you execute a CFD trade, 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 (known as the "**spread**"). We may, at our reasonable discretion, change the spread.

3.2.   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 this Agreement, you acknowledge that we do not offer you any frivolous quotes.

3.3.   Except for swap-free accounts, 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:

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

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

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

3.5.   Swap-free accounts are designed to honour the principles which prohibit the practice of paying or receiving interest, a concept aligned with the financial ethics upheld by Muslim communities.

3.6.   While swap-free account holders do not pay overnight charges, Deriv reserves the right to charge an admin fee on any positions open beyond five (5) days. This admin fee will be a percentage of the contract's value. The admin fee is intended to offset Deriv's operational costs for maintaining open swap-free positions.

3.7.   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.

3.8.   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.

3.9.   Swap-free accounts must be used in good faith. You shall not use the swap-free account to profit from swap arbitrage. If we determine that a swap-free account is being abused in the form of fraud, cash-back arbitrage, manipulation, or other forms of fraudulent or deceitful activity, we reserve the right to revoke the client's swap-free account privileges or even terminate their account.

4.   Abnormal trading activity and resource abuse

4.1.   You acknowledge that our Services require us to process multiple trade requests, which draw on the capacity of our system and require us to continuously manage and scale our infrastructure to ensure its reliability and performance.

4.2.   If we determine, in our sole discretion, that you are engaged in activities that surpass our built-in tolerance and deviate from the parameters of what we determine to be a normal trading activity, including redistributing Deriv's feed, over-utilising our system resources, or maliciously attempting to disrupt the normal functioning of our systems through excessive requests or traffic, we reserve the right to:

4.2.1.   Suspend or terminate your ability to trade on any of your trading accounts, with or without prior notice;

4.2.2.   Block your IP address;

4.2.3.   Terminate or drop your connection;

4.2.4.   Reverse any trades affected by abnormal trading activity or indicative of an abuse of our systems;

4.2.5.   Liquidate any open positions;

4.2.6.   Permanently close any of your trading accounts, with or without prior notice; and/or

4.2.7.   Revoke any funds associated with any of your trading accounts, with or without prior notice.

If we find that you have engaged in activities that we consider to be an abnormal trading activity or an abuse of our resources, we reserve the right to recover any costs incurred as a consequence of that behaviour.

5.   Expert advisors

5.1.   An expert advisor is a programme run through a trading terminal that can automatically monitor and carry out trading without a trader's direct involvement (an "**Expert Advisor**"). Depending on the market conditions that an Expert Advisor is programmed to track, certain factors will trigger alerts, notifications, and even trading actions once the Expert Advisor is installed. Expert Advisors are programmed in MetaQuotes Language 5 (MQL5) to work with Deriv MT5. Expert Advisors only function in the desktop trading terminal and will not work on the mobile or web versions of the terminal.

5.2.   Expert Advisors can be programmed for:

5.2.1.   Receiving alerts of a potential trading opportunity;

5.2.2.   Automatic execution of trades;

5.2.3.   Automatic adjustments of take profit and stop loss levels; and/or

5.2.4.   Trailing stops.

5.3.   An Expert Advisor may automate trading, but it is best to understand its implemented strategies before using it. We encourage you to use due diligence when installing and using an Expert Advisor and to test it on a demo account first. Please note that actual trading results may not match optimised or back-tested results.

5.4.   All software is to be used at your own risk. We shall not be liable for any financial losses incurred using third-party software on our Trading Platforms. You are solely responsible for, and we do not accept any liability for, any inconsistencies or results related to your use of Expert Advisors, including any unforeseen openings or closings of positions initiated by Expert Advisors, whether relating to a system error or otherwise.

5.5.   We do not develop automated trading software or Expert Advisors; they are developed and supported exclusively by third parties. We do not receive any form of financial or other benefit from permitting the use of Expert Advisors. We take a neutral position on your use of Expert Advisors.

6.   Order execution

6.1.   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 the following:

6.1.1.   The price at which your order will be executed; and

6.1.2.   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.

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

6.3.   We will act on any instructions that you give us, or appear to give us, in relation to margin trading services provided through the 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.

6.4.   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:

6.4.1.   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.

6.4.2.   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.

6.4.3.   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.

6.4.4.   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.

6.5.   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.

6.6.   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.

6.7.   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.

6.8.   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.