

Deriv (V) Ltd

Prospectus: CFDs on financial instruments and derived indices

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Deriv (V) Ltd — Prospectus

1. Purpose of the document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains, and potential losses of this product.

2. Company information

Company name: Deriv (V) Ltd (“DVL”)

Registration number: 014556

Jurisdiction: Republic of Vanuatu

Principal place of business: Paul de Montgolfier et Associes Limited (AJC)

Address of registered agent: PO Box 1276, Kumul Highway, 1st Floor Govant Building, Port Vila, Republic of Vanuatu

3. Product

Product overview

The Company exclusively deals in Contracts for Difference (CFDs) with a diverse range of underlying assets. CFDs are a form of derivative in which you obtain indirect exposure to an underlying asset, allowing you to speculate on a number of instruments without purchasing them. A CFD does not entitle you to the delivery of the underlying instrument at any stage of the agreement. It is an over-the-counter agreement to exchange the difference in value from when the transaction is opened to when it is closed. A CFD fluctuates in value based on the price of the underlying instrument.

CFDs are leveraged products enabling you to buy or sell a position by depositing a percentage of the full value of the trade. This is referred to as the initial margin requirement. Trading on margin can multiply any gains or losses you make.

You can choose the underlying investment. For further information on the list of available products on CFDs, please refer to [our website](#).

Clients may deal in CFDs with the following underlying assets:

Financial	Derived indices
<ul style="list-style-type: none"> • Forex • Cryptocurrencies • Stocks • Stock Indices • Commodities • ETFs 	<ul style="list-style-type: none"> • Basket Indices <ul style="list-style-type: none"> ◦ Gold Basket ◦ Forex Basket • Tactical Indices • Derived FX • Synthetic Indices <ul style="list-style-type: none"> ◦ Volatility Indices ◦ Crash/Boom Indices ◦ Step Indices ◦ Range Break ◦ Jump Indices ◦ DEX Indices ◦ Drift Switch Indices ◦ Hybrid Indices ◦ Skewed Step ◦ Multi-step Indices

Financial products are instruments based on real-life assets. The following are details of the respective financial underlying assets offered under a CFD.

Asset	Description	Website
Forex	The underlying investment option is a forex pair; this involves buying one currency and selling another. For example, the forex pair EUR/USD means buying the euro ('base' currency) and selling the US dollar ('quote' currency).	trade.deriv.com/markets/forex
Crypto	The underlying investment option is a cryptocurrency pair. Our cryptocurrency pairs quote a cryptocurrency, such as Bitcoin, against a fiat currency, such as the US dollar, or another cryptocurrency, such as Litecoin. A cryptocurrency is a decentralised virtual currency, meaning no single government body or financial authority has control over the currency.	trade.deriv.com/markets/cryptocurrencies
Stocks	The underlying investment is derived from the value of shares issued by a company, such as Facebook or Apple. A share is one of the equal parts that the equity of a company is divided into.	trade.deriv.com/markets/stocks
Stock Indices	The underlying investment is derived from a stock index. Stock indices are a portfolio of stocks representing a particular market or a segment of it. Examples of stock indices are Euro 50 Cash Index, France 40 Cash Index and UK 100 Cash Index.	trade.deriv.com/markets/stock-indices

Commodities	The underlying investment option is derived from a commodity index. A commodity is a raw material, such as precious metals, oil, or gold.	trade.deriv.com/markets/commodities
ETFs	The underlying investment option is derived from an exchange-traded fund, which is a collection of securities tracking an index, sector, commodity, or other assets.	trade.deriv.com/markets/etfs

Derived Indices encompass four distinct categories: Basket Indices, Tactical Indices, Derived FX, and Synthetic Indices. Deriv is the counterparty for all Derived Indices contracts.

Asset	Description	Website
Basket Indices	Track the value of a select group of commodities or currencies. In our offering, these indices allow trading a single currency or gold against a basket of five major currencies, each with a 20% weighting.	trade.deriv.com/markets/derived-indices/basket-indices
Tactical Indices	Follows a predefined trading strategy based on technical indicators, such as the Relative Strength Index (RSI), to simulate real-market trading behaviour.	trade.deriv.com/markets/derived-indices/tactical-indices
Derived FX	Instruments simulate the behaviour of major forex pairs while maintaining constant volatility levels.	trade.deriv.com/markets/derived-indices/derived-fx
Synthetic Indices	Synthetic indices are fully independent of the real-world markets, including volatility, Crash/Boom, step, range break, jump, DEX, drift switch, hybrid, skewed step, and multi-step indices. They are generated using a secure random number process, ensuring fixed volatility and insulation from external market events.	trade.deriv.com/markets/derived-indices/synthetic-indices

Objectives

When trading on CFDs, the objective is to speculate on the rise and fall of an underlying asset. Gains and losses depend on the price movements of the underlying asset and the size of your position. For instance, if you speculate that the price of an asset will go up, you will buy a CFD (referred to as ‘going long’), intending to sell it at a higher value than purchased. Conversely, if you anticipate the price will go down, you will sell a CFD (referred to as ‘going short’) with the intention of buying the asset back at a lower price than sold.

The difference between the closing value and the opening value of the contract multiplied by the leverage will equate to your

profit or loss, depending on your speculation of the asset's price movement, minus any adjustments, as detailed below in the Adjustments section.

Intended retail investor

CFDs are intended for investors who have knowledge of and experience with trading leveraged products. The likely investors will comprehend key concepts of trading on margin and how leverage works. They will also have the ability to bear the loss of their entire investment.

Term

CFDs typically have no fixed term or maturity date, and there is no recommended holding period. You may open and close positions based on market movement and your individual trading strategy and objectives.

Adjustments

The table below shows the adjustments involved when you purchase a CFD on a forex pair:

Breakdown of adjustments			
One-off adjustments	Entry/exit adjustment	Spread	The difference between the buy price and the sell price is called the spread. This adjustment is applied each time you open and close a trade. Spreads vary depending on market conditions.
Ongoing adjustments	Overnight holding adjustments	Swaps	<p>Any CFD position left open after 20:59 GMT (21:59 GMT during daylight saving time) counts as overnight. If you keep any CFD trading positions open overnight, an interest adjustment (or swap rate) will be made to your trading account to reflect applicable market funding conditions. For example:</p> <p>Buy 1 lot EUR/USD at 1.12879. Spread in USD (floating) is 15. Swap rate is -4.3 in points and 4.30 USD. Commission is 0. Total adjustment in USD is 19.30.</p> <p>The total percentage impact of opening the trade and holding it overnight is 0.017%.</p>

Contractual rights

Below are some important rights and disclosures to be aware of when trading CFDs on the Deriv platform. This section outlines options concerning trade cancellation, handling misrepresentations, submitting complaints, and accessing further resources for support and information.

Clients have the right to access and utilise the Deriv MT5 platform for supported CFD transactions and receive transparent information regarding pricing, fees, and order execution. The privacy and security of user data are upheld according to applicable laws, and users are entitled to withdraw their funds, as well as submit complaints or inquiries and receive timely responses. For more information, please refer to the section entitled 'Manifest errors' in the [Trading terms](#).

Complaints

Complaints may be submitted to complaints@deriv.com. For more information about our complaints and dispute process, kindly refer to our *complaints policy* section within our [additional terms and conditions](#).

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