

Terms and conditions

Order execution policy

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Order execution policy

1. Introduction

- 1.1. This document outlines Deriv's order execution policy (the "**Policy**") for executing client orders. Deriv Investments (Europe) Limited ("**Deriv**", "**the Company**", "**we**" or "**us**"), licensed and regulated by the Malta Financial Services Authority under the Investment Services Act, is committed to delivering the best possible outcomes for clients when executing their orders.
- 1.2. This Policy explains how we meet our obligation to take all sufficient steps to ensure the best possible execution of client orders. It also sets out the procedures we follow when executing orders.
- 1.3. Our commitment to best execution does not create fiduciary duties beyond those required under our regulatory obligations.

2. Scope of the Policy

- 2.1. This Policy is designed in compliance with the applicable regulatory framework, as may be updated from time to time.
- 2.2. This entire Policy and our duty of best execution and order handling apply only to Retail and Professional Clients. Eligible Counterparties are not covered by this obligation. Unless you have informed us otherwise, you are treated as a Retail Client.
- 2.3. By accepting our Terms of Use, you consent to this Policy. Together, these form the agreement between you and Deriv. Full details can be found at <https://deriv.com/eu/terms-and-conditions#clients>.
- 2.4. By agreeing to this Policy, you:
 - 2.4.1. Confirm that you understand how we handle order execution in line with applicable best execution standards and this Policy; and
 - 2.4.2. Provide explicit consent to your orders being executed outside a regulated market, an organised trading facility ("**OTF**"), or a multilateral trading facility ("**MTF**").

3. How we execute orders

- 3.1. When providing our services, we may execute orders on behalf of clients or deal on our own account. Deriv always acts as a principal in transactions with clients. After assessing potential conflicts of interest and best execution factors, we have determined that this approach achieves the best possible result for clients.
- 3.2. All Deriv trades are conducted on an over-the-counter ("**OTC**") basis. We provide trades on an execution-only basis and do not give personal recommendations or trading advice.

- 3.3. When executing orders on behalf of clients, we deal as principal and simultaneously enter into a position with a counterparty (a liquidity provider) on the same terms. We make no profit or loss from the transaction itself, other than any spread/commission, fee, or charge that is disclosed in advance. It remains our responsibility to obtain the best execution for the client.
- 3.4. When dealing on our own account, we act as principal with the client but do not enter into a matching transaction with another counterparty. In this case, we may earn revenue from clients' potential aggregate losses. For more details, please refer to the Conflicts of interest section in our [General Terms of Use](#).
- 3.5. We may hedge positions by entering into an equivalent back-to-back trade with other execution venues. However, we are under no obligation to do so.
- 3.6. To assess whether the duty of best execution applies in a given situation, we consider the following factors:
 - 3.6.1. The fact that the client approached Deriv first due to the nature of our business;
 - 3.6.2. Whether market practice makes it legitimate for clients to rely on Deriv;
 - 3.6.3. The transparency of the market, since clients are more likely to rely on Deriv for pricing where they do not have easy access to prices; and
 - 3.6.4. The information we provide about our services and the terms of our agreement with clients.
- 3.7. Trading and market conditions, such as rapid price fluctuations, limited liquidity, or low trading volume, may cause slippage. This means a trade may be executed at a price different from the quoted or requested price, particularly for orders with predefined parameters such as Stop Loss orders. In such cases, we will execute the order at the first available price rather than the specified price level.
- 3.8. We do not aggregate orders. All client orders are handled individually.
- 3.9. Client orders are executed fairly, promptly, and in the order received, unless market conditions, order characteristics, or client instructions make this impractical or require a different approach. If we encounter material difficulties in carrying out orders appropriately, retail clients will be informed as soon as we become aware of the issue.
- 3.10. We will follow your instructions as closely as possible while still meeting our duty of best execution. Specific instructions may include:
 - 3.10.1. The price at which your order should be executed; and
 - 3.10.2. The timeframe or duration of the contract, as defined by your order execution instructions.
- 3.11. We support the following order types: market orders and pending orders (including limit and stop orders). Clients can attach Stop Loss and Take Profit instructions to both market and pending orders. These order types are executed based on the defined rules of our platforms. Stop Loss and Take Profit orders are designed to trigger automatically once specific price levels are reached.
- 3.12. It is important to note that specific instructions may prevent us from taking steps described in this Policy to achieve the best possible result for those aspects of the order. Where instructions are not comprehensive, this Policy will apply to the parts of the order not covered by the client's instructions.

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- 3.14. We reserve the right, at our sole discretion, to cancel, adjust, or reverse transactions at any time, as disclosed in our [General Terms of Use](#) and [Trading Terms](#). In the event of difficulties or failures in the trading platforms or quote feeds, we may refuse to execute an order or may adjust its opening or closing price.

4. Execution factors

- 4.1. When executing orders, we take reasonable steps to achieve the best possible results for clients by considering the following factors:
- 4.2. Price
 - 4.2.1. Depending on the instrument, we quote a higher price ("Ask") for buying/going long and a lower price ("Bid") for selling/going short. The spread — the difference between these prices — varies with market conditions. For some products, the spread is zero, and a commission is charged instead.
 - 4.2.2. For trades linked to certain assets, we may obtain prices from multiple internally approved, independent third-party sources. These are reviewed periodically. Prices are updated regularly on our website and trading platforms, subject to practical constraints. We do not guarantee that our quoted prices are the same or better than those available elsewhere. We take all reasonable steps to achieve the best possible execution outcome for our clients based on our quotes. However, market conditions such as liquidity, trading volume, and rapid price movements may result in execution at a price different from the quoted price (slippage).
- 4.3. Costs
 - 4.3.1. We aim to provide competitive costs and fees. For best execution purposes, 'costs' means all expenses incurred by the client, directly related to order execution, including spreads, commissions, swaps, and other fees that may apply. Clients are notified of these in advance (see the Key Information Documents on our [Regulatory information page](#) and the [Trading Terms](#) for further details).
- 4.4. Speed
 - 4.4.1. We aim to execute client orders as quickly as reasonably possible, given the volatility of markets and the impact on both price and volume. We regularly compare our average execution speed with industry standards to ensure competitiveness.
- 4.5. Likelihood of execution and settlement
 - 4.5.1. We strive to execute all client orders. Success depends on available liquidity in the market. During events such as major news releases, the start of trading sessions, or highly volatile periods, price fluctuations or low liquidity may make execution difficult or impossible. Rapid price movements, insufficient liquidity for the specified volume, or force majeure events may further affect execution. If an order cannot be fulfilled due to price, size, or other factors, it will not be executed.

- 4.5.2. When selecting liquidity providers, we consider both the risk of incomplete transactions and the associated costs compared with other providers.
- 4.5.3. The financial instruments offered do not involve physical delivery of the underlying asset. All transactions are settled upon execution and/or at contract expiry.
- 4.6. Size and nature of order
 - 4.6.1. Orders are generally accepted if they remain within our exposure limits, your account limits, and the symbol's volume limits, and if sufficient funds are available in your account.
 - 4.6.2. We place high importance on price, costs, speed, and likelihood of execution and settlement.
 - 4.6.3. When weighing these factors, we also consider:
 - 4.6.3.1. The characteristics of the client (including whether they are a Retail or Professional Client);
 - 4.6.3.2. The characteristics of the order;
 - 4.6.3.3. The characteristics of the financial instrument being traded; and
 - 4.6.3.4. The characteristics of the execution venue.
 - 4.6.4. The best possible results are usually determined by the total consideration: the price and all related costs, including execution expenses, Deriv's commissions, and client fees. Other factors may take precedence where they are more relevant to achieving the best outcome.

5. Execution venues

- 5.1. "Execution venues" are locations, physical or virtual, where trades can take place. These include regulated markets, multilateral trading facilities (MTFs), organised trading facilities (OTFs), systematic internalisers, market makers, liquidity providers, or equivalent third parties in other jurisdictions.
- 5.2. Any trades that clients place are directly booked with Deriv via online trading platforms only (there is no facility for telephone or face-to-face trading), and Deriv is the counterparty to all trades. In other words, Deriv transacts with you as principal for all trades on Deriv Trader and Deriv MT5 on the basis of a quote. This means that you must open and close every trade with Deriv and cannot close an open trade with a third party. Deriv is therefore the sole execution venue for trades executed by it for you.
- 5.3. From our analysis, we conclude that transacting as principal for all transactions allows us to consistently achieve results that are at least as good as those reasonably expected from other trading venues. This approach is therefore aligned with our best execution obligations.
- 5.4. We acquire pricing and liquidity from several independent third-party liquidity providers. Their performance is reviewed regularly. This review covers pricing accuracy, latency, slippage (positive and negative), costs, and execution success rates, benchmarked against both external sources and internal thresholds set for each asset class.

- 5.5. We carry out both ex-ante (before execution) and ex-post (after execution) assessments to confirm that our arrangements continue to meet best execution standards. If pricing from our third-party sources does not meet our thresholds or wider market standards, we consider changing these arrangements to preserve execution quality.
- 5.6. We also monitor and document through our best execution framework that it continues to provide results at least as good as those achievable through other available alternatives.

6. Monitoring and Policy updates

- 6.1. We continuously monitor the effectiveness of this Policy using both quantitative and qualitative criteria. These include predefined benchmarks and thresholds that assess factors such as cost, price, speed, likelihood of execution and settlement, order size, and other relevant criteria.
- 6.2. We review our order execution arrangements at least once a year, and also whenever a material change occurs that could affect our ability to consistently obtain the best possible results for clients. Clients will only be informed of any material changes to this Policy or to our execution arrangements.
- 6.3. We maintain comprehensive records to ensure compliance with our obligations.

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