deriv

Terms and conditions

Trading terms

Table of contents

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.

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 other obvious errors,

(each, a "**Manifest Error**"), 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.

1.12.3.   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.

1.12.4.   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.   Multipliers and vanilla options

2.1.   Trading restrictions

2.1.1.   Our multipliers and vanilla options trades are offered with 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 ten (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.   For vanilla options, we may place certain limits, including limits on strike prices or trading volume, depending on market conditions.

2.1.1.7.   Selling vanilla options on synthetic indices may not be possible within sixty (60) seconds prior to the expiration time.

2.1.1.8.   A vanilla options position will be closed automatically when it reaches its expiry time.

2.1.1.9.   For vanilla options on synthetic indices, payout per point is dependent on the relation of the chosen strike price to the spot price.

2.1.1.10.   A vanilla options position will be closed automatically when it reaches its expiry time.

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

2.1.1.12.   Certain markets (such as indices) are not open throughout the day, and trading may not be available when the markets are closed.

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

   2.1.1.13.1.   For multipliers, the entry spot is defined as the next tick after our servers process the contract.

   2.1.1.13.2.   For vanilla options, the entry spot is defined as the latest available tick at the point in time when our servers process the contract.

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 (known as "OTC") basis (i.e. 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 Trading Platforms 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 Trading Platforms 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 Trading Platforms 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. Multipliers and vanilla options 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; and

2.3.1.2. The price that you pay and the payout that you receive for vanilla options trades.

The calculations are based on complex mathematics and include 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 client money. For information on how we treat client money, you may refer to General Terms.

3.1.3. We may close your orders where you do not have the required margin in your account, or you do not meet our margin requirements. We may do this without prior notice to you, and you may make a loss as a result.

3.1.4. 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 USD 100 will require a margin of USD 3.33.

3.1.5. 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.

3.1.6. In cases where your margin level falls below 50%, i.e. 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.

3.1.7. 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 your Deriv MT5 account to support your positions at all times.

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

3.2. Stop out level

3.2.1. A stop out level may be applied in different circumstances, which include 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; or

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 (i.e. not demo) 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. The entry spot for CFDs on derived indices is defined as the next tick after our servers process the contract.

3.4. The exit spot for CFDs on the following indices: Crash/Boom, Jump, and DEX is defined as the next tick after our servers process the contract. For other indices, the exit spot is defined as the latest available tick at the point in time when our servers process the contract.

3.5. 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.

4. Commissions and charges

4.1.   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 (known as the "spread"). We may, at our reasonable discretion, change the spread.

4.2.   When you execute a multipliers trade on Deriv Trader, 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 USD/EUR/GBP 0.10 in your account's currency.

4.3.   When you execute a vanilla options trade, we apply a commission that is realised each time you open a trade and, if you exit the trade before maturity, a commission that is realised upon exit.

4.4.   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.

4.5.   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:

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

4.5.2.   Since it takes two (2) days for FX transactions to settle, positions that are still open on Wednesday at the swap calculation time will be charged three (3) times the swap rate to account for weekends — a standard practice for all FX brokers.

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

5. Abnormal trading activity and resource abuse

5.1.   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.

5.2.   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:

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

5.2.2.   Block your IP address;

5.2.3.   Terminate or drop your connection;

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

5.2.5.   Liquidate any open positions;

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

5.2.7.   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.

6.   Consent to electronic transmission of confirmation and account statements

6.1.   You hereby consent to your trade confirmations and trading account information being available online on your account when you are logged into the Website, instead of receiving this information by email or mail. Posting of trading account information on your online account will be deemed delivery of trade confirmation and account statements.

6.2.   You may revoke your consent under this Clause 6 at any time by closing your account in accordance with the General Terms.

7.   Expert advisors

7.1.   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.

7.2.   Expert Advisors can be programmed for:

7.2.1.   Receiving alerts of a potential trading opportunity;

7.2.2.   Automatic execution of trades;

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

7.2.4.   Trailing stops.

7.3.   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.

7.4.   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.

7.5.   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.

8.   Order execution policy

8.1.   The venues that we use when executing orders on Deriv MT5 include the following:

8.1.1.   Deriv (BVI) Limited;

8.1.2.   SafeCap Investments Limited;

8.1.3.   VTC Europe B.V.; and

8.1.4.   TOPFX Ltd.

We may change this list to achieve best execution.

8.2.   We are the sole execution venue for all trades on Deriv Trader and derived trades on Deriv MT5.

8.3.   Our order execution policy applies to you if you are classified as a "retail" or "professional" client. If you are an "eligible counterparty", you fall outside the scope of this policy.

8.4.   Our order execution policy includes a set of procedures that are designed to obtain the best possible execution result for you. To do so, in addition to other factors, we will consider the size and nature of an order. If your orders do not exceed our exposure limits, your account limits, and the volume limits for the symbol, and if you have enough balance in your account, your orders will generally be accepted. With every trade placed, we have systems in place that automatically carry out a large exposure check. In the event that the new total exposure result would be greater than or equal to 25% of the eligible capital, the trade will not be placed.

8.5.   If we make any material changes to our order execution policy, we shall notify you.