Terms and conditions

Risk disclosure

Version 4.0.0
Last updated 28/02/2020

Table of contents

Risk disclosure

Here you will find the terms and conditions that deal more specifically with the risks you may be exposed to by online trading in general and engaging in different trades on Deriv in particular.

1. General trading risks

1.1. The services offered on Deriv are only suitable for you if you can bear the loss of all the money you invest and if you understand and have experienced the risks involved in such trades. International currency or commodity prices are highly volatile and difficult to predict. Therefore, no trade purchased in our system can be considered a safe trade, whether the payout exceeds the premium amount or not.

1.2. Our services are provided on an execution-only basis. We will never give you financial investment advice. The only purpose of providing the information on our website is to help you and other traders to make independent investment decisions.

1.3. Using an internet-based trading system always involves risks, for example, the failure of hardware, software, and internet connection. Since we do not control signal power, its reception or routing via the internet, configuration of your equipment, or reliability of its connection, we cannot be held responsible for communication failures, distortions, or delays during online trading.

1.4. The decision to open an account and use our products and services is entirely yours. It is important that you understand the risks involved, have adequate investment resources to bear such risks, and monitor your positions carefully. You should make careful, considered, and independent decisions, both when joining Deriv and while trading.

1.5. When you trade, you are exposed to the performance of the underlying or reference instrument or asset to which the trade refers, including foreign exchange, indices, and commodities, each of which has its own features and risks. You should make sure you understand these risks before trading with us.

1.6. You should be aware that you are exposed to higher risks as all trades are made on over-the-counter (OTC) markets, as opposed to regulated exchanges.

1.7. Please note that prices can change very quickly in the market, so the execution price may not necessarily be visible instantly once your order has been filled.

1.8. You are responsible for managing your tax and legal affairs, including making regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax, or legal advice. If you are in any doubt about the tax treatment or liabilities of the products available on Deriv, please seek independent advice.

1.9. It is your responsibility to monitor all of your positions closely. During the period that you have any open contracts, you should always have the ability to access your accounts.

1.10. The trades we offer are not under the rules of any recognised, designated, or regulated exchange. As a result, engaging in these trades may expose you to substantially greater risks than the investments that are traded under such rules.

1.11. We may have access to information that is not available to you, may have acquired trading positions at prices that are not available to you, and may have interests different from your interests. We are not under any obligation to provide you with the information that we have or interfere in your trading decisions in any way.

1.12. Unless stated otherwise in the supplementary terms, we execute all the orders we receive from you as the counterparty to your trades. We shall act as a principal and not as an agent on your behalf for the purpose of order execution. You agree that over time, we earn money out of your potential aggregate loss.

2. Cryptocurrency trading risks

2.1. You should be aware of all the risks associated with cryptocurrency trading and seek advice from an independent financial advisor and/or legal advisor if you have any doubts.

2.2. If cryptocurrency exchanges and wallet providers get hacked or become insolvent and as a result you lose your cryptocurrencies, there is no guarantee that they will be returned to you. It is your responsibility to store your cryptocurrencies securely. We will not accept liability for any loss or damage that arises, directly or indirectly, from the theft of your cryptocurrency or the insolvency of exchanges and wallet providers that you use.

2.3. Cryptocurrency-related transactions that occur on the blockchain might take place without the supervision and regulation of financial institutions and government agencies. This means that banks, payment service providers, or regulators cannot come to your help if there is any kind of mistake or fraud in the transactions.

2.4. It is your responsibility to check what rules and protections apply in your relevant jurisdiction before investing and/or trading in virtual currency and/or trading on CFDs relating to virtual currency.

3. CFD trading risks

3.1. CFDs can be highly volatile. The prices of the underlying instrument that a CFD trade refers to may fluctuate rapidly and over wide ranges, even dropping to zero in case of cryptocurrencies. These fluctuations may be caused by unforeseeable events or changes in conditions that neither you nor we can control. You may lose the entire sum that you have invested, and in some cases, your loss may even be more than your deposit.

3.2. The previous performance of any underlying instrument or asset does not guarantee its current and/or future performance.

3.3. Exchange rates between foreign currencies can change rapidly due to a wide range of economic, political, and other conditions, exposing you to the risk of exchange rate losses in addition to the inherent risk of loss from trading the underlying product. If you deposit funds in a currency to trade contracts denominated in a different currency, your gains or losses on the underlying investment may be affected by changes in the exchange rate between the currencies.

3.4. Margin is inversely proportional to leverage, which means if you choose a lower leverage, your required margin will increase. When you invest in a leveraged product, your returns can be multiple times higher than the margin, but your losses can also be multiple times higher, and you need to be aware of the risk.

3.5. The system fills orders on a first-in, first-out basis, i.e. based on the sequence of the order received, and this is beyond our control. As a result, you may find it difficult or impossible to close a position at the intended price stipulated in your stop order during certain market conditions. Although it is a useful risk management tool to place a stop order, if highly volatile trading conditions occur, a stop order will not necessarily limit your losses to the amounts you intended because market conditions may make it impossible to execute such orders. Therefore, your possible exit price is not certain. In short, a stop order is not a guarantee because it cannot operate in all market circumstances.

3.6. We do not monitor the open positions of your account on your behalf. It is your responsibility to monitor your open positions and make sure that your exposure matches your risk appetite.

3.7. While we try to close out your open positions if and when the margin level for your DMT5 real account reaches or falls below the stop out level, we do not guarantee that your open positions will be closed in such a case. To keep the trade open, you may need to deposit additional funds to retain sufficient margin for executing the trade.

3.8. When you are trading on DMT5 and click on ‘Buy’ or ‘Sell’, your order will be filled at the best possible price with either one of our liquidity providers (according to the best streaming price at the time of your order placement). Your order is fulfilled when the order hits the liquidity provider’s server. You can see the confirmation of your closed trades on the History tab on the DMT5 platform.

3.9. Your order is fulfilled when the order hits the liquidity provider's server.

3.10. Please note that prices can change very quickly in the market, so the execution price may not necessarily be visible instantly once your order has been filled.

4. Digital option trading risks

4.1. Digital options can be highly volatile. The prices of the underlying instrument that digital option trades refer to may fluctuate rapidly and over wide ranges. These fluctuations may be caused by unforeseeable events or changes in conditions that neither you nor we can control. You may lose the entire sum that you have invested.