Terms and conditions

Trading terms

Version 4.0.0

Last updated 28/02/2020

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Trading terms

When you open an account on Deriv, you can trade binary options and contracts for difference (CFDs). Here you will find the terms and conditions that deal more specifically with trading on Deriv, including those regarding our manifest errors, trading rules, pricing policy, payouts, margin, and leverage.

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 certain rules and restrictions on the placing of market orders on Deriv. Such rules may change from time to time according to market conditions and 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. We will try to make sure that this information is complete and accurate, but it will never contain investment advice or recommendations from us.

1.4. If you use any third-party service provider for trading, it will be your sole responsibility to ensure the safety of your account and any trading that is conducted. You can refer to the General terms of use for our business partners **for further clarification.**

1.5. If you are employed in the banking and/or finance sector, you must not conduct trades through Deriv unless your employer is aware of your trading and the practice is not against your employer's policies.

1.6. We reserve the right to place risk limits, which will 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.

1.7. We have the right to suspend our services or terminate or reverse any trade in the situations where we, at our sole discretion, decide that prices may not be accurate, or otherwise cannot be determined. These situations include, but are not limited to the following:

1.7.1. 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, or if we, at our sole discretion, determine that a price cannot be calculated for financial trades

1.7.2. When any means of communication that are normally used in determining the price or value of any of the financial trades breaks down or when we, at our sole discretion, decide that the price or value of any of the financial trades cannot be quickly or accurately determined

1.7.3. When there is an error in trading software or other IT systems

1.8. Manifest errors

1.8.1. If we have reason to believe that you have entered into a trade at a price that does not reflect fair market price or is acquired or sold at an abnormally low level of risk due to an undetected programming error, bug, or glitch in our website software, market data feed or contract pricing latency, data feed error, stray quotes, incorrect pricing parameters, manifest miscalculation of prices, or other obvious errors ("Manifest errors"), we have the right to cancel or reverse transactions or change the contractual terms of that trade.

1.8.2. 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. You have a duty to report to us any such problems, errors, or suspected system inadequacies that you may experience. You should not abuse or arbitrage such system problems or errors for profit.

1.8.3. Any amendments to the contractual terms of manifestly erroneous trades shall be reasonable and fair. These amendments may be done without your involvement and may require actions that include but are not limited to the following: closing or opening positions, placing or deleting orders, making changes in open positions, and/or deleting trades from trading history.

1.9. Conflicts policy

1.9.1. We aim to establish, maintain, and operate effective organisational and administrative arrangements to make sure that we take all reasonable steps to prevent conflicts of interest that might impact your interests.

1.9.2. Due to the high degree of risks involved, which could result in the loss of your entire investment, we have adequate internal procedures in place to make sure that you are in all cases treated fairly and that the risk of damage to your interests is reduced.

1.9.3. In some of our activities, major conflicts can arise or have arisen. We try to keep a record of these kinds of activities. We also have procedures to manage actual or potential conflicts. These include procedures to keep appropriate independence among members of our staff who are involved in potentially conflicting activities. The following are some of the ways we use to uphold such independence:

1.9.3.1. Employing information barriers

1.9.3.2. Physical separation of the staff

1.9.3.3. Segregation of duties and responsibilities

1.9.3.4. Maintaining a policy of independence, which requires our staff to act in your best interest and disregard any conflicts of interest when providing you with our services, or in some circumstances to decline to act for you or a potential client in order to avoid conflicts of interest

If you wish to know about the conflicts of interest policy in more detail, email your request to *compliance@deriv.com*.

2. Options

2.1. Trading restrictions

2.1.1. You understand that our digital option trades are offered under the following limitations:

2.1.1.1. Usually, digital option trades are not offered in the last hour of trading in any given market or when the underlying market is at its intraday high or intraday low.

2.1.1.2. Typically, digital option trades are not offered during the first 10 minutes of market trade.

2.1.1.3. During periods of high volatility (very fast market movements), digital option trades may be offered at prices more unfavourable to you than those offered in usual market conditions.

2.1.1.4. Certain limits may be put on the acceptable levels for barrier and strike prices of digital option trades. Typically, the barrier and strike prices may not be too close or too far from the current underlying market level.

2.1.1.5. Market prices are updated at most once per second. If more than one tick is received in a particular second, the market price on our data feed is updated to the first valid tick received.

2.1.1.6. We do not guarantee the ability to sell a digital option trade prior to its expiration time.

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

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

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, e.g. forex, that are offered on over-the-counter (“OTC”) markets without there being a central clearing house, 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 as well. Other websites may adopt a different convention (for example, some websites choose 4:00 pm New York time or 5:00 pm London time). As a result, the open, high, low, and closing prices displayed on our website may differ from those on other websites.

2.2.1.3. Bid and ask prices also create differences in data feeds. When the market is illiquid, the data feed may contain many bid and ask prices, without there actually being any traded price for quite a while. 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 it actually being a traded price. Our system will generate prices from these bid and ask prices, whereas other websites might not. As a result, our website 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 forex 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, it is our policy not to 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 current trading range of the market; such ticks are often due to communication delays with the exchanges or banks that provide quotes, human error, or database problems at any point between the originator of the quote and our servers.

2.2.4. If a disruption occurs in the data feeds that we cannot readily fix, we reserve the right to refund or reverse the trade.

2.2.5. We reserve the right to make corrections to trading data if there are any mispriced or typographically incorrect data.

3. Digital option pricing

3.1. We calculate the price that you pay and the payout that you receive for digital option trades on Deriv by using 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. The calculation is based on complex mathematics and includes a bias in our favour.

3.2. We make sure that we execute trades at the price indicated or lower. During rapid market movements, pricing may change and we shall either execute at zero slippage or positive slippage (more favourable to you). If there is negative slippage beyond the acceptable threshold, the trade will be rejected.

3.3. The charting data that we provide is indicative only and may differ from real market values.

3.4. If corporate actions cause the underlying asset value to change, trades may change as well.

3.5. 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.

4. Contracts for difference (CFDs)

4.1. Margin and leverage

4.1.1. Depending on the type of your account, the leverage applied may vary. All instruments may have their own leverage.

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

4.2. Stop out level

4.2.1. A stop out level may be applied in different scenarios, including but not limited to the following:

4.2.1.1. The server may analyse those orders that are not under execution at the moment.

4.2.1.2. The server may delete orders with the largest margin.

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

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

4.2.1.5. 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.

4.2.2. 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 do our best to provide the latest default stop out level on our website.

4.3. Commissions and charges

4.3.1. We apply a cost (spread, which is the difference between the buying price and the selling price) that is realised each time you open and close a trade. While we try to maintain a competitive spread, it may widen significantly in some circumstances. We may, at our reasonable discretion, change the spread.

4.3.2. All prices for financial instruments quoted on our platforms for CFD 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 as 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.

4.3.3. If you keep any spot FX trading positions open overnight, an interest adjustment will be made to your trading account to compensate for the cost of keeping your position(s) 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 time and days that you hold your positions open:

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

4.3.3.2. Since it takes two days for forex 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 forex brokers.

4.3.3.3. Our swap rate may also be adjusted to take holidays into account.

4.4. Order execution

4.4.1. 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, but are not limited to, the following:

4.4.1.1. The venue at which the client’s order will be executed

4.4.1.2. The price at which the client’s order will be executed

4.4.1.3. The time at which the client’s order will be executed

4.4.1.4. The timeframe or duration of the contract as defined by the client’s order execution

We always adhere to our best execution obligation and act in your best interest; however, sometimes your specific instructions might prevent us from achieving the best possible result.

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

4.4.3. We will act on any instructions that you give us, or appear to give us, in relation to margin trading services provided through the DMT5 trading platform. 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 what you really want.

4.4.4. Our order execution policy includes a set of procedures that are designed to obtain the best possible execution result for you. To do so, we consider the following factors:

4.4.4.1. 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.

4.4.4.2. Speed: Due to the online nature of the business and instruments, 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; therefore, we monitor the latency between the entering and execution of your orders.

4.4.4.3. Likelihood of execution: We try to make sure that all placed orders are executed; however, this is not always possible due to material difficulties or unusual circumstances. In any instance that we become aware of any material difficulty relevant to the proper execution of an order, we shall rapidly inform you of the issue.

4.4.4.4. Likelihood of settlement: During volatile markets, 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 delivery to you, we make sure that our platform runs smoothly under such unstable conditions and take all reasonable steps to safeguard the continuity and regularity in the performance of investment activities.

4.4.5. Our execution policy cannot 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.

4.4.6. 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 upon us or as may be otherwise contracted between you and us.

4.4.7. 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 shall change our execution arrangements.

4.4.8. 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 set out to determine a fair underlying price based on a number of factors, such as price movements on associated markets and other market influences and information about your order.