Deriv (V) Ltd

Prospectus: CFDs on financial instruments and derived indices

Version S25|03
Last updated 27/06/2024

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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")

Company's registration number: 014556

Jurisdiction of incorporation and licensing: Republic of Vanuatu

Company's registered agent: Paul de Montgolfier et Associes Limited (AJC)

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

To get in touch with us, visit our contact page. This document was last updated on 19 September 2023.

3. Product

Product name and type: Contract for difference ("CFD")

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.

We offer CFDs on asset classes listed in the following table:

Financial	Derived indices

• Forex
• Cryptocurrencies
• Stocks
• Stock indices
• Commodities
	• Basket indices
	• Derived FX
	• Synthetic indices
	    ○ Volatility indices
	    ○ Crash/Boom indices
	    ○ Step indices
	    ○ Range break
	    ○ Jump indices
	    ○ DEX indices
	    ○ Drift switch indices

Financial products are instruments based on real-life markets. Derived indices encompass three distinct categories: basket indices, derived FX, and synthetic indices. Deriv is the counterparty for all derived indices contracts.

- 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.
- Derived FX instruments simulate the behaviour of major forex pairs while maintaining constant volatility levels.
- Synthetic indices are entirely independent of real-world market fluctuations. They include volatility indices, Crash/Boom indices, step indices, range break indices, jump indices, DEX indices, and drift switch indices. These indices are generated using a two-step process: first, a cryptographically secure random number generator produces a random number from a uniform distribution, and then, this number is transformed into a market quote. Each synthetic index is named based on its unique price behaviour, and due to its generation method, it remains unaffected by any adverse market conditions. Traders can engage with these indices with the advantage of fixed volatility regardless of external market events.

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 have the option of choosing the underlying investment. For example, trading CFDs on forex means the underlying investment option is a forex pair; this involves buying one currency and selling another. The forex pair EUR/USD means buying the euro ('base' currency) and selling the US dollar ('quote' currency).

For further information on the list of available products on CFDs, please refer to our website.

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 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 costs, as detailed below in the 'What are the costs?' 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.

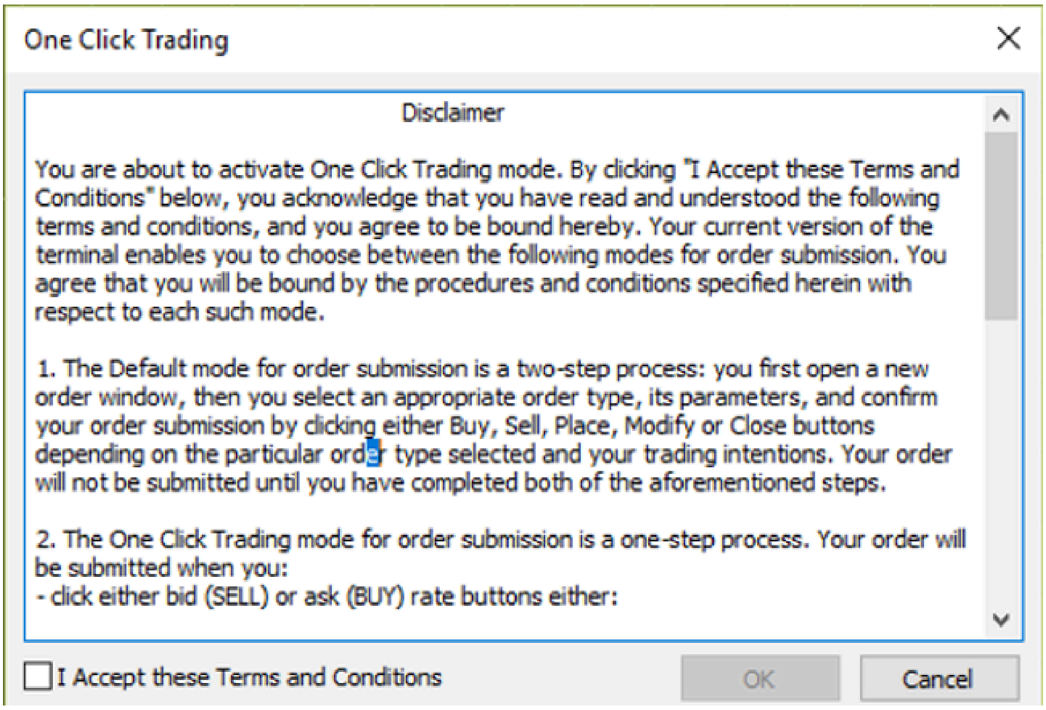
What are the costs?

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

Breakdown of costs			
One-off costs	Entry/exit cost	Spread	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade. Spreads vary depending on market conditions.
Ongoing costs	Overnight holding costs	Swaps	A fee will be charged every night that your position is held open. Swap rates vary depending on market conditions. For example: Buy 1 lot EUR/USD at 1.12879. Spread in USD (floating) is 15. Swap rate in points is -4.3. Swap charge in USD is 4.30. Commission is 0. Total cost in USD is 19.30. Cost of opening the trade and holding it overnight is 0.017%.

Statement of the cancellation rights given to the purchaser

Before placing a trade on the Deriv MT5 platform, you will be prompted with 'One Click Trading' window where you are required to accept the terms and conditions as shown below. The 'One Click Trading' window explains the functionality of the one-click feature, where you can execute your trades through a single click — thereby allowing instantaneous trading. A statement accounting for your right to cancel your trades is also provided in the pop-up window:



If you decide not to proceed with the one-click trading feature, you can close the window or click the 'Cancel' button.

Contractual rights of the purchaser in the event of a misrepresentation

Your full contractual rights in the event of misrepresentation can be found in the terms and conditions, which you accept during account opening.

For more information, please refer to the section entitled 'Manifest errors' in the Trading terms.

How can I make a complaint?

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.

Other relevant information

CFDs are available on our Deriv MT5 platform. More information on trading on margin is available on our website.