



# Scalping Policy Version 1.0

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## Version Control and Date of Issue

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V1.0	Compliance Officers of Trive Financial Services Ltd and Trive South Africa (Pty) Ltd	Board of Directors	2024.06.07	2025.06.07

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## 1. Introduction

- 1.1. This document serves as the Scalping Policy for Trive Financial Services Ltd and/or Trive South Africa (Pty) Ltd (hereinafter collectively referred to as **“Trive Africa”**).
- 1.2. As an authorized Financial Services Provider (**“FSP”**), Trive Africa has a duty to prevent market abuse and unfair market practices as far as possible including, *inter alia*, Scalping.

## 2. What is Scalping?

- 2.1. Scalping involves exploiting internet latencies, delayed prices, and/or executing high volumes of transactions to capitalize on tick fluctuations rather than genuine price movements and can apply to any online quoted financial market.
- 2.2. Traditionally, Scalping primarily refers to the Foreign Exchange market due to its size, liquidity, and tight spreads, and takes place when a trader, often using high leverage, attempts to take advantage of a price discrepancy or anomaly in the market in an extremely short period of time, typically a few seconds.
- 2.3. Often this price anomaly may be caused by latent prices which is where, due to the complexity of transmitting prices online around the world, delays in updates occur, which although small can still be exploited.

## 3. Trive Africa’s Approach to Scalping

- 3.1. While Trive Africa does not condone the use of Scalping, we do not specifically forbid it.
- 3.2. In the event that a Client is found to be Scalping, Trive Africa may move the Client to a direct market access pricing mechanism, known as Straight Through Processing (**“STP”**), which will only fill the Client’s orders if they can be simultaneously hedged in the global marketplace.
- 3.3. This may also mean that the spread for the market will be wider.
- 3.4. In extreme cases, Trive Africa may, as per our Terms of Business, close the Client’s account if, in our sole opinion, we believe that such Client has been Scalping by dealing on latent prices and may invoke the Manifest Error Rule and cancel all trades which have been done.

- 3.5. Trive Africa provides competitive/tight spreads and liquidity to our Clients where possible. We do this to try and help our Clients to trade in volatile global financial markets by giving them greater stability of pricing. We do not do this to allow/enable our Clients to abuse this to their own ends.
- 3.6. Trive Africa will therefore invoke the Manifest Error Rule for anyone we deem to have been dealing with latent prices and abusing tight spreads that we provide.
- 3.7. This may result in some or all of such trades being cancelled and/or amended.
- 3.8. Should a Client be found to be Scalping as per the above, Trive Africa will provide such Client with a first and final warning to immediately cease such practices within 7 (seven) days, failing which we may proceed with terminating any agreement with the Client and/or closing any Client account(s) involved in or associated with such practices as per the Termination Clause of our Terms of Business.
- 3.9. Any remaining funds in such Client's account shall immediately be returned to the bank account that we have on our records, unless otherwise requested.
- 3.10. Trive Africa shall not be held liable for any losses incurred should we decide to terminate any agreement and/or close any Client account(s) in terms of the above.
- 3.11. All trading activities are closely monitored by Trive Africa on a continuous basis, and abusive trading behaviour will not be permitted.
- 3.12. In addition to the above, Trive Africa may decline to pay compensation to a Client for any trading which Trive Africa, in its sole discretion, determines:
  - 3.12.1. to have been done through any unauthorized activity or done excessively without a legitimate intent by the Client to profit from market movements;
  - 3.12.2. to have been done while relying on price latency or arbitrage opportunities;
  - 3.12.3. to be market abuse; or
  - 3.12.4. to be in violation of any section of our Client Agreement and/or Terms of Business.