Conditional Orders

Conditional orders, also known as Bracket Orders, are those which will be sent to the market only if specific conditions and criteria are met.

You can trade three types of conditional orders with Alpaca:

- OCO (One-Cancels-the-Other)
- OTO (One-Triggers-the-Other)
- OTOCO (One-Triggers-a-One-Cancels-the-Other)

Conditional orders may have increased risk as a result of their reliance on trigger processing, market data, and other internal and external systems. Such orders are not sent to the market until specified conditions are met. During that time, issues such as system outages with downstream technologies or third parties may occur. Conditional orders triggering near the market close may fail to execute that day.

Furthermore, our executing partner may impose controls on conditional orders to limit erroneous trades triggering downstream orders. Alpaca Securities may not always be made aware of such changes to external controls immediately, which may lead to some conditional orders not being executed. As such, it is important to monitor conditional orders for reasonability.

Conditional orders are "Not Held" orders whose execution instructions are on a best efforts basis upon being triggered. Furthermore, conditional orders may be subject to the increased risks of stop orders and market orders outlined above.

Given the increased potential risk of using conditional orders, the client agrees that Alpaca Securities cannot be held responsible for losses, damages, or missed opportunity costs associated with market data problems, systems issues, and user error, among other factors.

By using conditional orders the client understands and accepts the risks outlined above.

Alpaca Securities encourages leveraging the use of Paper accounts to become more comfortable with the intricacies associated with these orders.