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Cyprus (CySEC) vs Germany (BaFin): forex licenses compared

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In short: Cyprus (CySEC): minimum capital €750,000 (market maker); €150,000 (STP), retail leverage 30:1, compensation 90%, max €20,000 (ICF). Germany (BaFin): minimum capital €750,000 (market maker), retail leverage 30:1, compensation 90%, max €20,000 (EdW). Figures as of November 2026.

This page sets the two regimes side by side, using the same headings for each. It does not say which is ‘better’: that depends on who the clients are and what protection they need. The full rules, sources and FAQs are in the Forex license in Cyprus and Forex license in Germany guides.

Side by side

	Cyprus	Germany
Regulator	Cyprus Securities and Exchange Commission (CySEC)	Federal Financial Supervisory Authority (BaFin)
License	Cyprus Investment Firm (CIF) authorisation under MiFID II	Authorisation as an investment firm (Wertpapierinstitut) under the WpIG, or as a credit institution under the KWG
Legal basis	Investment Services and Activities and Regulated Markets Law 87(I)/2017 (MiFID II); initial capital under the EU Investment Firms Directive	Wertpapierinstitutsgesetz (WpIG); Kreditwesengesetz (KWG); EU MiFID II and IFD/IFR
Minimum capital	€75,000 for a firm that holds no client money and does not deal on own account; €150,000 where it holds client money or instruments; €750,000 where it deals on own account (market maker).	EU investment firm tiers: €75,000, €150,000 or €750,000; €750,000 for dealing on own account.

	Cyprus	Germany
Application fee	€7,000 under the current fee directive. In January 2026 CySEC consulted on €8,000 per investment service and €15,000 where the firm deals on own account; check whether the new fees are in force.	BaFin charges fees under its fees ordinance; not quantified here.
Decision time	By law within 6 months of a complete application; advisers commonly report longer overall timelines once preparation is included.	Six months after a complete application under MiFID II rules for investment firms.
Local substance	A Cypriot company with its head office and real management in Cyprus, fit and proper directors and key function holders (compliance, risk, AML, internal audit).	Head office and management in Germany, at least two fit and proper managing directors.
Retail leverage cap	ESMA-equivalent national measures: 30:1 major currency pairs; 20:1 non-major pairs, gold and major indices; 10:1 other commodities and non-major indices; 5:1 individual equities; 2:1 crypto-assets.	ESMA-equivalent national measures: 30:1 major currency pairs down to 2:1 for crypto-assets.
Negative balance protection	Required for retail clients per account, with a 50% margin close-out rule.	Required for retail clients per account.
Client money	Client funds must be segregated from the firm's own funds under MiFID II safeguarding rules.	Client money must be safeguarded and kept separate under MiFID II.
Compensation scheme	Investor Compensation Fund (ICF): the lower of 90% of the covered claim or €20,000 per client.	EdW: 90% of claims from securities transactions, up to €20,000 per investor.
Cross-border passport	Yes. A CIF can serve clients across the EEA under the MiFID II passport, cross-border or through a branch; host-country conduct rules still apply.	Yes (EEA), under MiFID II.
Public register	CySEC register of Cyprus Investment Firms [2]	BaFin company database [4]

Each figure is sourced in the license guide, where every line carries its own reference.

Frequently asked questions

Which license costs more to hold, Cyprus or Germany?

Cyprus: €75,000 for a firm that holds no client money and does not deal on own account; €150,000 where it holds client money or instruments; €750,000 where it deals on own account (market maker). Germany: EU investment firm tiers: €75,000, €150,000 or €750,000; €750,000 for dealing on own account. Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

Can retail clients use the same leverage under both licenses?

Cyprus: ESMA-equivalent national measures: 30:1 major currency pairs; 20:1 non-major pairs, gold and major indices; 10:1 other commodities and non-major indices; 5:1 individual equities; 2:1 crypto-assets. Germany: ESMA-equivalent national measures: 30:1 major currency pairs down to 2:1 for crypto-assets.

What happens to client money if the broker fails?

Cyprus: Investor Compensation Fund (ICF): the lower of 90% of the covered claim or €20,000 per client. Germany: EdW: 90% of claims from securities transactions, up to €20,000 per investor.

Can a firm with one of these licenses serve clients in other countries?

Cyprus: Yes. A CIF can serve clients across the EEA under the MiFID II passport, cross-border or through a branch; host-country conduct rules still apply. Germany: Yes (EEA), under MiFID II.

See also

- Forex license in Cyprus
- Forex license in Germany
- UK (FCA) vs Cyprus (CySEC): forex licenses compared
- Cyprus (CySEC) vs Seychelles (FSA Seychelles): forex licenses compared
- UAE (CMA / DFSA / FSRA) vs Cyprus (CySEC): forex licenses compared
- Cyprus (CySEC) vs Poland (KNF): forex licenses compared
- All 25 licenses in one table

References

1. Official Cyprus Securities and Exchange Commission (CySEC) . Cyprus. Accessed November 2026.
2. Official CySEC register of Cyprus Investment Firms . CySEC. Accessed November 2026.
3. Official Federal Financial Supervisory Authority (BaFin) . Germany. Accessed November 2026.
4. Official BaFin company database . BaFin. Accessed November 2026.

General information, not legal or investment advice. Figures as of November 2026; confirm with the regulator before applying or opening an account.

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