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UK (FCA) vs Cyprus (CySEC): forex licenses compared

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In short: The United Kingdom (FCA): minimum capital £750,000 (dealing on own account), retail leverage 30:1, compensation up to £85,000 (FSCS). Cyprus (CySEC): minimum capital €750,000 (market maker); €150,000 (STP), retail leverage 30:1, compensation 90%, max €20,000 (ICF). 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 the United Kingdom and Forex license in Cyprus guides.

Side by side

	United Kingdom	Cyprus
Regulator	Financial Conduct Authority (FCA)	Cyprus Securities and Exchange Commission (CySEC)
License	Part 4A permission as an investment firm, with permissions such as dealing in investments as principal or as agent	Cyprus Investment Firm (CIF) authorisation under MiFID II
Legal basis	Financial Services and Markets Act 2000; FCA Handbook (MIFIDPRU prudential rules, COBS 22.5 CFD rules, CASS client assets rules)	Investment Services and Activities and Regulated Markets Law 87(I)/2017 (MiFID II); initial capital under the EU Investment Firms Directive

	United Kingdom	Cyprus
Minimum capital	Permanent minimum requirement of £75,000, £150,000 or £750,000 depending on permissions; £750,000 for a firm that deals on its own account, as a market-making CFD provider does. Own funds must also cover the fixed overheads requirement and, for most firms, K-factor requirements.	€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).
Application fee	Set by pricing category. The FCA says most CFD firms fall into Category 6: £11,260 for 2026/27.	€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.
Decision time	By law within 6 months of a complete application, or 12 months if incomplete.	By law within 6 months of a complete application; advisers commonly report longer overall timelines once preparation is included.
Local substance	A UK-established firm whose senior managers are approved by the FCA under the Senior Managers and Certification Regime, with adequate UK resources.	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).
Retail leverage cap	30:1 for major currency pairs; 20:1 for non-major pairs, gold and major indices; 10:1 for other commodities and non-major indices; 5:1 for individual equities; 30:1 for CFDs on certain government bonds (stricter than ESMA's 5:1).	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.
Negative balance protection	Required for retail clients on a per-account basis; positions must be closed out when funds fall to 50% of the margin needed.	Required for retail clients per account, with a 50% margin close-out rule.
Client money	Client money must be held under the FCA's client assets (CASS) rules.	Client funds must be segregated from the firm's own funds under MiFID II safeguarding rules.
Compensation scheme	FSCS: up to £85,000 per eligible person, per firm, for investment claims where the firm failed after 1 April 2019.	Investor Compensation Fund (ICF): the lower of 90% of the covered claim or €20,000 per client.

	United Kingdom	Cyprus
Cross-border passport	No EU passport since Brexit. A UK license covers UK business; clients abroad are subject to the rules of their own country.	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.
Public register	FCA Financial Services Register [2]	CySEC register of Cyprus Investment Firms [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, the United Kingdom or Cyprus?

The United Kingdom: Permanent minimum requirement of £75,000, £150,000 or £750,000 depending on permissions; £750,000 for a firm that deals on its own account, as a market-making CFD provider does. Own funds must also cover the fixed overheads requirement and, for most firms, K-factor requirements. 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). Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

Can retail clients use the same leverage under both licenses?

The United Kingdom: 30:1 for major currency pairs; 20:1 for non-major pairs, gold and major indices; 10:1 for other commodities and non-major indices; 5:1 for individual equities; 30:1 for CFDs on certain government bonds (stricter than ESMA's 5:1). 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.

What happens to client money if the broker fails?

The United Kingdom: FSCS: up to £85,000 per eligible person, per firm, for investment claims where the firm failed after 1 April 2019. Cyprus: Investor Compensation Fund (ICF): the lower of 90% of the covered claim or €20,000 per client.

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

The United Kingdom: No EU passport since Brexit. A UK license covers UK business; clients abroad are subject to the rules of their own country. 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.

See also

- Forex license in the United Kingdom
- Forex license in Cyprus
- Cyprus (CySEC) vs Seychelles (FSA Seychelles): forex licenses compared
- Australia (ASIC) vs UK (FCA): forex licenses compared
- UAE (CMA / DFSA / FSRA) vs Cyprus (CySEC): forex licenses compared
- Cyprus (CySEC) vs Germany (BaFin): forex licenses compared
- Cyprus (CySEC) vs Poland (KNF): forex licenses compared
- Switzerland (FINMA) vs UK (FCA): forex licenses compared
- US (CFTC / NFA) vs UK (FCA): forex licenses compared
- All 25 licenses in one table

References

1. Official Financial Conduct Authority (FCA) . United Kingdom. Accessed November 2026.
2. Official FCA Financial Services Register . FCA. Accessed November 2026.
3. Official Cyprus Securities and Exchange Commission (CySEC) . Cyprus. Accessed November 2026.
4. Official CySEC register of Cyprus Investment Firms . CySEC. 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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