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# US (CFTC / NFA) vs UK (FCA): forex licenses compared

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**In short:** The United States (CFTC / NFA): minimum capital US$20 million, retail leverage 50:1, compensation none. The United Kingdom (FCA): minimum capital £750,000 (dealing on own account), retail leverage 30:1, compensation up to £85,000 (FSCS). 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 States and Forex license in the United Kingdom guides.

## Side by side

| | United States | United Kingdom |
|---|---|---|
| **Regulator** | Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) | Financial Conduct Authority (FCA) |
| **License** | Registration with the CFTC as a retail foreign exchange dealer (RFED) or futures commission merchant (FCM), and NFA membership as a Forex Dealer Member | Part 4A permission as an investment firm, with permissions such as dealing in investments as principal or as agent |
| **Legal basis** | Commodity Exchange Act as amended by the CFTC Reauthorization Act of 2008; CFTC Part 5 rules; NFA rules | Financial Services and Markets Act 2000; FCA Handbook (MIFIDPRU prudential rules, COBS 22.5 CFD rules, CASS client assets rules) |

| | United States | United Kingdom |
|---|---|---|
| **Minimum capital** | Adjusted net capital of at least US$20 million, plus 5% of liabilities to retail forex customers above US$10 million. | 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. |
| **Application fee** | NFA membership and registration fees apply; not quantified here. | Set by pricing category. The FCA says most CFD firms fall into Category 6: £11,260 for 2026/27. |
| **Decision time** | No statutory deadline confirmed. | By law within 6 months of a complete application, or 12 months if incomplete. |
| **Local substance** | A US-registered dealer with registered principals and associated persons who pass proficiency requirements. | A UK-established firm whose senior managers are approved by the FCA under the Senior Managers and Certification Regime, with adequate UK resources. |
| **Retail leverage cap** | Minimum security deposit of 2% for major currency pairs (50:1) and 5% for others (20:1); the NFA can set higher deposits. | 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). |
| **Negative balance protection** | No general requirement. | Required for retail clients on a per-account basis; positions must be closed out when funds fall to 50% of the margin needed. |
| **Client money** | Retail forex customer funds are subject to CFTC and NFA financial requirements. | Client money must be held under the FCA's client assets (CASS) rules. |
| **Compensation scheme** | No compensation scheme covers retail forex accounts. | FSCS: up to £85,000 per eligible person, per firm, for investment claims where the firm failed after 1 April 2019. |
| **Cross-border passport** | No. Retail CFDs are not offered to US clients; retail OTC forex can only be offered by RFEDs, FCMs and certain regulated banks. | No EU passport since Brexit. A UK license covers UK business; clients abroad are subject to the rules of their own country. |

| | United States | United Kingdom |
|---|---|---|
| Public register | NFA BASIC (Background Affiliation Status Information Center) [2] | FCA Financial Services Register [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 States or the United Kingdom?**

The United States: Adjusted net capital of at least US$20 million, plus 5% of liabilities to retail forex customers above US$10 million. 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. 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 States: Minimum security deposit of 2% for major currency pairs (50:1) and 5% for others (20:1); the NFA can set higher deposits. 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).

**What happens to client money if the broker fails?**

The United States: No compensation scheme covers retail forex accounts. The United Kingdom: FSCS: up to £85,000 per eligible person, per firm, for investment claims where the firm failed after 1 April 2019.

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

The United States: No. Retail CFDs are not offered to US clients; retail OTC forex can only be offered by RFEDs, FCMs and certain regulated banks. 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.

## See also

- Forex license in the United States
- Forex license in the United Kingdom
- UK (FCA) vs Cyprus (CySEC): forex licenses compared
- Australia (ASIC) vs UK (FCA): forex licenses compared
- Switzerland (FINMA) vs UK (FCA): forex licenses compared
- All 25 licenses in one table

## References

1. Official Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) . United States. Accessed November 2026.
2. Official NFA BASIC (Background Affiliation Status Information Center) . CFTC / NFA. Accessed November 2026.
3. Official Financial Conduct Authority (FCA) . United Kingdom. Accessed November 2026.
4. Official FCA Financial Services Register . FCA. 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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