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Forex license in Australia

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Forex license in Australia



Flag

Regulator	Australian Securities and Investments Commission (ASIC) [1]
License	Australian financial services licence (AFSL) authorising the firm to issue and deal in derivatives and foreign exchange contracts [1]
Legal basis	Corporations Act 2001, Chapter 7; ASIC Instrument 2022/705 (financial requirements); CFD product intervention order (Instrument 2020/986) [1] [3]
Minimum capital	A$1m NTA (or 10% of revenue) [1]
Application fee	A fee for service set by complexity tier; check ASIC's current schedule before applying [5]
Decision time	No fixed statutory deadline [8]
Retail leverage, major FX	30:1 [2] [3]
Negative balance protection	Required [3] [4]
Compensation scheme	None (AFCA complaints only) [7]
Cross-border passport	No

Licensed firms	75 retail OTC derivative issuers (2024-25) [9] [10]
Public register	ASIC professional registers (AFS licensees)

In short: Forex and CFD brokers in Australia are licensed by the Australian Securities and Investments Commission (ASIC). [1] Minimum capital: A$1m NTA (or 10% of revenue). [1] Retail leverage on major currency pairs: 30:1. [2] [3] Compensation if the firm fails: none (AFCA complaints only). [7] Figures as of November 2026.

In Australia, a firm that issues CFDs or margin forex to retail clients needs an **Australian financial services licence (AFSL)** from **ASIC**. Since 29 March 2021 a product intervention order has limited retail leverage and required negative balance protection, and retail OTC derivative issuers must hold at least A$1 million in net tangible assets.

License types

The license used by forex and CFD brokers in Australia: Australian financial services licence (AFSL) authorising the firm to issue and deal in derivatives and foreign exchange contracts. [1] Legal basis: Corporations Act 2001, Chapter 7; ASIC Instrument 2022/705 (financial requirements); CFD product intervention order (Instrument 2020/986). [1] [3]

- **Issuer of derivatives and FX contracts (market maker)** – subject to the A$1 million NTA floor for retail OTC derivative issuers
- **Dealing as agent / arranging** – for brokers that do not issue the product
- **Corporate authorised representative** – acts under another licensee's AFSL; not a license of its own

Capital and financial requirements

Minimum capital in Australia (2026): Net tangible assets of at least the greater of A$1,000,000 or 10% of average revenue, with at least half of the required amount in cash or cash equivalents. [1]

Application fee: A fee for service set by complexity tier; check ASIC's current schedule before applying. [5]

Capital is only the regulatory floor. Staff, audit, compliance, technology and liquidity usually cost more than the capital itself, and regulators expect a realistic budget for the first years.

Application process

Decision time: No fixed statutory deadline. ASIC has reported that applications with complex models such as market making need more analysis and take longer. [8] The usual steps are:

1. Define the authorisations needed (issue, deal, advise, retail or wholesale clients).
2. Appoint responsible managers and prepare proofs on organisational competence, financial resources, risk management and compliance.
3. Arrange AFCA membership, professional indemnity insurance and client money accounts.
4. Lodge the application online and pay the fee for service.
5. ASIC assesses the application and may impose licence conditions.

Substance and governance

An Australian or registered foreign company with responsible managers who meet ASIC's competence standards, adequate resources and dispute resolution membership. [7]

Trader protection

What the ASIC rules guarantee a retail client, as of November 2026. See Trader protection for the same rules in every jurisdiction.

Protection	Rule in Australia
Retail leverage limits	30:1 for major currency pairs; 20:1 for minor pairs, gold and major indices; 10:1 for other commodities and minor indices; 5:1 for shares and other assets; 2:1 for crypto-assets. [2] [3]
Negative balance protection	Required for retail clients under the CFD product intervention order, together with standardised margin close-out and a ban on certain inducements. [3] [4]

Protection	Rule in Australia
Client money	Client money must be held in a trust account under the Corporations Act client money rules.
Compensation if the firm fails	No dedicated compensation fund for OTC derivative clients. Licensees must belong to AFCA, the external complaints scheme. [7]
Serving clients abroad	No passport; an AFSL covers financial services in Australia.

Number of licensed firms

ASIC's industry-funding figures count 75 retail OTC derivative issuers (the levy category for retail CFD and margin FX providers) for 2024-25, down from 94 in 2021-22. [9] [10]

> Counts change month to month and regulators count differently (some include banks, fund managers or every investment firm). The public register is the only current source.

Recent changes

The CFD product intervention order is due to expire on 23 May 2027. On 12 October 2026 ASIC proposed extending it until 1 April 2031 and amending it, subject to Ministerial approval. Earlier in 2026 ASIC reported nearly $40 million in refunds to CFD investors after a sector review. [4] [6]

How to verify a license

1. Find the exact legal name and license number of the entity you would contract with, usually in the website footer or the client agreement.
2. Search for it on the regulator's own register: ASIC professional registers (AFS licensees) .
3. Check that the website address and contact details on the register match the site you are using, to rule out a clone firm.
4. Check which group entity your account would be opened with: brands often run several entities under different regulators.

Frequently asked questions

Does ASIC cap leverage for retail forex traders?

Yes. Retail clients can be offered at most 30:1 on major currency pairs, and lower limits apply to other assets. Clients classed as wholesale are outside these limits.

What capital does an ASIC CFD broker need?

A retail OTC derivative issuer must hold net tangible assets of at least A$1 million or 10% of average revenue, whichever is greater.

Figures as of November 2026. Requirements, fees and capital change; confirm with the ASIC or a qualified adviser before applying. Where we could not confirm a figure from an official source, this article says so.

See also

- Forex licenses compared
- Forex license in Singapore
- Forex license in Vanuatu
- Forex license in Nauru
- Forex license in Labuan (Malaysia)
- How to verify a broker's license
- All jurisdictions

References

Entries marked **Official** are the regulator, the law or another public body. Other entries are named secondary sources, used where we could not find the figure published officially.

1. Official ASIC Corporations (Financial Requirements for Issuers of Retail OTC Derivatives) Instrument 2022/705 . Federal Register of Legislation. Accessed November 2026.
2. Official Read this before trading CFDs (11 November 2020) . ASIC. Accessed November 2026.

3. Official 22-082MR ASIC's CFD product intervention order extended for five years . ASIC. Accessed November 2026.
4. Official 26-239MR ASIC moves to extend and strengthen CFD consumer protections (12 October 2026) . ASIC. Accessed November 2026.
5. Official Fees for service . ASIC. Accessed November 2026.
6. Official 26-004MR ASIC secures nearly $40 million in refunds to investors after CFD sector falls short . ASIC. Accessed November 2026.
7. Official Australian Financial Complaints Authority . AFCA. Accessed November 2026.
8. ASIC Fell Short on License Speed After Receiving 803 Applications . Finance Magnates. Accessed November 2026.
9. Official ASIC industry funding: Summary of 2024-25 actual levies . Australian Securities and Investments Commission. Accessed November 2026.
10. Official ASIC industry funding: Summary of 2021-22 actual levies . Australian Securities and Investments Commission. Accessed November 2026.

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