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Forex license in Cyprus

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Forex license in Cyprus



Flag

Regulator	Cyprus Securities and Exchange Commission (CySEC) [1]
License	Cyprus Investment Firm (CIF) authorisation under MiFID II [1] [5]
Legal basis	Investment Services and Activities and Regulated Markets Law 87(I)/2017 (MiFID II); initial capital under the EU Investment Firms Directive [2] [5]
Minimum capital	€750,000 (market maker); €150,000 (STP) [2] [5]
Application fee	€7,000 under the current fee directive [5] [6] [7]
Decision time	By law within 6 months of a complete application; advisers commonly report longer overall timelines once preparation is included [5]
Retail leverage, major FX	30:1 [4]
Negative balance protection	Required [4]
Compensation scheme	90%, max €20,000 (ICF) [3] [5]
Cross-border passport	Yes (EEA) [5]

Licensed firms	253 CIFs, all types (Nov 2025) [9] [10]
Public register	CySEC register of Cyprus Investment Firms

In short: Forex and CFD brokers in Cyprus are licensed by the Cyprus Securities and Exchange Commission (CySEC). [1] Minimum capital: €750,000 (market maker); €150,000 (STP). [2] [5] Retail leverage on major currency pairs: 30:1. [4] Compensation if the firm fails: 90%, max €20,000 (ICF). [3] [5] Figures as of November 2026.

Cyprus became the European Union's main hub for retail forex and CFD brokers because a **Cyprus Investment Firm (CIF)** authorised by **CySEC** can be passported to every EEA country. The capital, conduct and leverage rules are those of MiFID II and the ESMA product intervention measures, applied through CySEC.

License types

The license used by forex and CFD brokers in Cyprus: Cyprus Investment Firm (CIF) authorisation under MiFID II. [1] [5] Legal basis: Investment Services and Activities and Regulated Markets Law 87(I)/2017 (MiFID II); initial capital under the EU Investment Firms Directive. [2] [5]

- **Dealing on own account (market maker)** – €750,000 initial capital
- **Execution of orders / reception and transmission (STP)** – €150,000 if the firm holds client money
- **Investment advice or portfolio management only** – from €75,000

Capital and financial requirements

Minimum capital in Cyprus (2026): €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). [2] [5]

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. [5] [6] [7]

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: By law within 6 months of a complete application; advisers commonly report longer overall timelines once preparation is included. [5] The usual steps are:

1. Incorporate a Cypriot company and agree the business model (which MiFID services and instruments).
2. Prepare the programme of operations, policies, financial projections and fitness documents for shareholders, directors and key staff.
3. Submit the application to CySEC with the fee and evidence of initial capital.
4. Answer CySEC's questions; CySEC must decide within six months of a complete application.
5. Join the Investor Compensation Fund and start operations after authorisation.

Substance and governance

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). [5]

Trader protection

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

Protection	Rule in Cyprus
Retail leverage limits	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. [4]
Negative balance protection	Required for retail clients per account, with a 50% margin close-out rule. [4]

Protection	Rule in Cyprus
Client money	Client funds must be segregated from the firm's own funds under MiFID II safeguarding rules. [5]
Compensation if the firm fails	Investor Compensation Fund (ICF): the lower of 90% of the covered claim or €20,000 per client. [3] [5]
Serving clients abroad	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. [5]

Number of licensed firms

CySEC's chairman said 252 Cyprus Investment Firms were supervised at the end of the third quarter of 2025 and 253 by November 2025, with about 30 more applications under review. This counts every CIF, not only forex and CFD brokers; CySEC does not publish a separate count of retail CFD providers. [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

In January 2026 CySEC proposed a new fee structure (higher application fees and a €30,000 annual fee for dealing on own account). A separate DORA fees directive took effect in August 2025, with annual fees of €2,000 to €20,000. [6] [7] [8]

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: CySEC register of Cyprus Investment Firms .
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

What is the minimum capital for a CySEC forex license?

It depends on the business model: €750,000 for a market maker that deals on own account, €150,000 for a broker that holds client money without dealing on own account, and €75,000 if it holds no client money.

How much does the Cyprus ICF pay out?

The lower of 90% of the covered claim or €20,000 per client, and only if a firm cannot return client money or instruments. It does not cover trading losses.

Figures as of November 2026. Requirements, fees and capital change; confirm with the CySEC 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 the United Kingdom
- Forex license in Switzerland
- Forex license in Germany
- Forex license in Poland
- 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.

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3. Official Investor Compensation Fund: information for investors . CySEC. Accessed November 2026.
4. Official ESMA agrees to prohibit binary options and restrict CFDs to protect retail investors (27 March 2018) . European Securities and Markets Authority. Accessed November 2026.
5. Cyprus Investment Firm (CIF): the CySEC licence . private.law wiki. Accessed November 2026.
6. Cyprus Regulator Proposes Higher CIF Licensing Costs, Plans to Drop Crypto Fee Under MiCA . Finance Magnates. Accessed November 2026.
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