ForexLicenseWiki
The free, sourced encyclopedia of forex and CFD broker licenses
forexlicensewiki.com

Forex license in Germany

From ForexLicenseWiki, the free encyclopedia of forex licenses · Last updated 28 November 2026

Independent information service. ForexLicenseWiki is not a regulator, a broker or a licensing agent. It is not affiliated with the Federal Financial Supervisory Authority (BaFin). The only authoritative record of who holds a license is the regulator's own public register: BaFin company database .

Forex license in Germany



Flag

Regulator	Federal Financial Supervisory Authority (BaFin) [1]
License	Authorisation as an investment firm (Wertpapierinstitut) under the WpIG, or as a credit institution under the KWG [1]
Legal basis	Wertpapierinstitutsgesetz (WpIG); Kreditwesengesetz (KWG); EU MiFID II and IFD/IFR [1] [2]
Minimum capital	€750,000 (market maker) [2]
Application fee	BaFin charges fees under its fees ordinance; not quantified here
Decision time	Six months after a complete application under MiFID II rules for investment firms
Retail leverage, major FX	30:1 [3]
Negative balance protection	Required [3]
Compensation scheme	90%, max €20,000 (EdW) [4] [5]
Cross-border passport	Yes (EEA)
Licensed firms	No published figure found [7]

Public register	BaFin company database

In short: Forex and CFD brokers in Germany are licensed by the Federal Financial Supervisory Authority (BaFin). [1] Minimum capital: €750,000 (market maker). [2] Retail leverage on major currency pairs: 30:1. [3] Compensation if the firm fails: 90%, max €20,000 (EdW). [4] [5] Figures as of November 2026.

In Germany, CFD and forex providers are supervised by **BaFin** and need authorisation as an investment firm under the **Wertpapierinstitutsgesetz (WpIG)**, or as a bank. German retail clients are protected by the EU-wide CFD restrictions and by the **EdW** compensation scheme. Germany's retail CFD base is small: about 63,000 active traders, according to recent market data.

License types

The license used by forex and CFD brokers in Germany: Authorisation as an investment firm (Wertpapierinstitut) under the WpIG, or as a credit institution under the KWG. [1] Legal basis: Wertpapierinstitutsgesetz (WpIG); Kreditwesengesetz (KWG); EU MiFID II and IFD/IFR. [1] [2]

- **Investment firm (WpIG) dealing on own account** – €750,000 initial capital
- **Investment firm (WpIG) without own-account dealing** – €75,000 or €150,000
- **Bank (KWG)** – for firms that also take deposits

Capital and financial requirements

Minimum capital in Germany (2026): EU investment firm tiers: €75,000, €150,000 or €750,000; €750,000 for dealing on own account. [2]

Application fee: BaFin charges fees under its fees ordinance; not quantified here.

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: Six months after a complete application under MiFID II rules for investment firms. The usual steps are:

1. Set up a German company with two managing directors.
2. Prepare the business plan, organisation and capital evidence.
3. Apply to BaFin; the Bundesbank is involved in ongoing supervision.
4. Join the EdW compensation scheme.
5. Begin operations after authorisation.

Substance and governance

Head office and management in Germany, at least two fit and proper managing directors.

Trader protection

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

Protection	Rule in Germany
Retail leverage limits	ESMA-equivalent national measures: 30:1 major currency pairs down to 2:1 for crypto-assets. [3]
Negative balance protection	Required for retail clients per account. [3]
Client money	Client money must be safeguarded and kept separate under MiFID II.
Compensation if the firm fails	EdW: 90% of claims from securities transactions, up to €20,000 per investor. [4] [5]
Serving clients abroad	Yes (EEA), under MiFID II.

Number of licensed firms

No published figure found (as of November 2026). BaFin does not publish a count of CFD providers. In its 2020 review of about 40 CFD providers active in Germany, only 29% were supervised directly by BaFin; most served German clients under an EU passport, mainly from Cyprus. [7]

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

No major change to the CFD rules in 2026 found; German retail CFD activity remains far smaller than Poland's. [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: BaFin company database .
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

How much does the German EdW pay?

90% of the claim from securities transactions, up to €20,000 per investor, if a member firm cannot return client money or instruments.

Can a BaFin-authorised broker serve clients in other EU countries?

Yes, through the MiFID II passport, subject to host-country marketing rules.

Figures as of November 2026. Requirements, fees and capital change; confirm with the BaFin 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 Cyprus
- Forex license in Switzerland
- 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.

1. Official BaFin . Federal Financial Supervisory Authority. Accessed November 2026.
2. Official Directive (EU) 2019/2034 on the prudential supervision of investment firms (IFD), Article 9: initial capital . EUR-Lex. Accessed November 2026.
3. 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.
4. Official Entschädigungseinrichtung der Wertpapierhandelsunternehmen (EdW) . EdW. Accessed November 2026.
5. Official Bundestag Drucksache 19/21059: answer on the EdW . Deutscher Bundestag. Accessed November 2026.
6. Poland Added a Record 700K Retail Accounts (30 June 2026) . Finance Magnates. Accessed November 2026.
7. BaFin Says Cypriot Brokers Responsible for 50% of Detected Infringements . Finance Magnates. Accessed November 2026.

Source: https://forexlicensewiki.com/forex-license/germany/
Version: last updated 28 November 2026. Check the online version for later changes.

© 2026 ForexLicenseWiki. ForexLicenseWiki is a free, independent encyclopedia of forex and CFD broker licenses: what each regulator requires and what each license does and does not protect, across 25 jurisdictions. General information, not legal or investment advice. Confirm with the regulator or a qualified adviser before acting.