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Forex license in South Africa

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Forex license in South Africa



Flag

Regulator	Financial Sector Conduct Authority (FSCA) [1]
License	Over-the-counter derivative provider (ODP) authorisation for firms that issue CFDs as principal; a financial services provider (FSP) licence under the FAIS Act for intermediaries [1] [3] [7]
Legal basis	Financial Markets Act 19 of 2012 and its 2018 regulations (ODPs); Financial Advisory and Intermediary Services (FAIS) Act 2002 (FSPs) [1] [3]
Minimum capital	6 months' opex (ODP) [1] [4]
Application fee	Set by the FSCA's levies and fees framework; we could not confirm a current figure from an official source [2]
Decision time	No statutory deadline found; market reports describe the ODP process as demanding [5]
Retail leverage, major FX	No regulatory cap found
Negative balance protection	Not required
Compensation scheme	None

Cross-border passport	No
Licensed firms	About 70 non-bank register entries (reported) [8]
Public register	FSCA regulated entities search

In short: Forex and CFD brokers in South Africa are licensed by the Financial Sector Conduct Authority (FSCA). [1] Minimum capital: 6 months' opex (ODP). [1] [4] Retail leverage on major currency pairs: No regulatory cap found. Compensation if the firm fails: none. Figures as of November 2026.

South Africa splits retail CFD regulation in two. A firm that **issues** CFDs to clients as principal must be authorised by the **FSCA** as an **over-the-counter derivative provider (ODP)**, while a firm that only advises on or arranges CFDs needs an **FSP licence** under the FAIS Act. An FSP licence alone does not allow a firm to be the counterparty to client trades.

License types

The license used by forex and CFD brokers in South Africa: Over-the-counter derivative provider (ODP) authorisation for firms that issue CFDs as principal; a financial services provider (FSP) licence under the FAIS Act for intermediaries. [1] [3] [7] Legal basis: Financial Markets Act 19 of 2012 and its 2018 regulations (ODPs); Financial Advisory and Intermediary Services (FAIS) Act 2002 (FSPs). [1] [3]

- **ODP (Financial Markets Act)** – for the issuer and counterparty of CFDs
- **FSP Category I** – advice and intermediary services
- **FSP Category II** – discretionary management

Capital and financial requirements

Minimum capital in South Africa (2026): An ODP must hold equity capital in South Africa of at least six months of operating expenses, alongside risk-based requirements. FSP intermediaries face separate financial soundness rules. [1] [4]

Application fee: Set by the FSCA's levies and fees framework; we could not confirm a current figure from an official source. [2]

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 statutory deadline found; market reports describe the ODP process as demanding. [5] The usual steps are:

1. Decide whether the firm will be the counterparty (ODP) or an intermediary (FSP).
2. Establish a South African company with fit and proper key individuals.
3. Prepare capital, risk management, wind-down and reporting arrangements.
4. Apply to the FSCA and pay the prescribed fees.
5. After authorisation, report trades and meet ongoing conduct standards.

Substance and governance

ODPs need equity capital held in South Africa, fit and proper management and operational capacity locally. [1]

Trader protection

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

Protection	Rule in South Africa
Retail leverage limits	We found no FSCA rule capping retail leverage; leverage is set by each provider.
Negative balance protection	No general regulatory requirement found.
Client money	Client funds rules apply under FAIS and the FMA regulations. [3]
Compensation if the firm fails	No compensation scheme for OTC derivative clients; complaints go to the ombud system.

Protection	Rule in South Africa
Serving clients abroad	No.

Number of licensed firms

Finance Magnates reported about 70 non-bank entries on the FSCA's register of OTC derivative providers, of which 26 were withdrawn applications and four were surrendered licenses, leaving roughly 40. The FSCA does not publish a running total; count the register yourself for a current figure. [8]

> 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 2026 the FSCA consulted on tougher capital requirements for non-bank OTC derivative providers. Market reports in June 2026 counted 26 withdrawn ODP applications and four surrendered ODP licences, with some brokers moving to the FSP route instead. [5] [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: FSCA regulated entities search .
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

Is an FSP licence enough to run a forex broker in South Africa?

Only if the firm acts as an intermediary. A firm that is the counterparty to client CFDs needs an ODP authorisation as well; the FSCA has fined firms for acting as an ODP without one.

Does South Africa cap leverage for retail traders?

We found no FSCA rule that does, so leverage depends on the provider. That also means the protection is lower than in jurisdictions with caps.

Figures as of November 2026. Requirements, fees and capital change; confirm with the FSCA 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 Seychelles
- Forex license in Mauritius
- Forex license in Anjouan (Comoros)
- Forex license in Mohéli / Mwali (Comoros)
- 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 Criteria for authorisation as an over-the-counter derivatives provider (2016) . Financial Services Board / National Treasury. Accessed November 2026.
2. Official Financial Sector Conduct Authority . FSCA. Accessed November 2026.

3. Licensing requirements for trading in derivatives, including CFDs . Moonstone. Accessed November 2026.
4. Acting as Counterparty to Clients in South Africa Costs a Broker Almost 3 Times More . Finance Magnates. Accessed November 2026.
5. Too Expensive to Stay? South Africa's ODP Requirements Are Pushing Away Foreign Brokers (29 June 2026) . Finance Magnates. Accessed November 2026.
6. FSCA Consults on Capital Markets and Conduct Proposals (1 April 2026) . Acts Online. Accessed November 2026.
7. FSCA clarifies which trading activities require a licence . Moonstone. Accessed November 2026.
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