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Forex license in the United Kingdom

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Forex license in the United Kingdom



Flag

Regulator	Financial Conduct Authority (FCA) [1]
License	Part 4A permission as an investment firm, with permissions such as dealing in investments as principal or as agent [1]
Legal basis	Financial Services and Markets Act 2000; FCA Handbook (MIFIDPRU prudential rules, COBS 22.5 CFD rules, CASS client assets rules) [4] [5]
Minimum capital	£750,000 (dealing on own account) [2]
Application fee	Set by pricing category [3]
Decision time	By law within 6 months of a complete application, or 12 months if incomplete [4] [8]
Retail leverage, major FX	30:1 [1] [6]
Negative balance protection	Required [1] [5]
Compensation scheme	Up to £85,000 (FSCS) [7]
Cross-border passport	No

Licensed firms	74 retail CFD firms (Dec 2025) [9] [10] [11]
Public register	FCA Financial Services Register

In short: Forex and CFD brokers in the United Kingdom are licensed by the Financial Conduct Authority (FCA). [1] Minimum capital: £750,000 (dealing on own account). [2] Retail leverage on major currency pairs: 30:1. [1] [6] Compensation if the firm fails: up to £85,000 (FSCS). [7] Figures as of November 2026.

The United Kingdom regulates retail forex and CFD providers through the **Financial Conduct Authority (FCA)**. Rolling spot forex, CFDs and spread bets are treated as investments, so a firm offering them needs FCA authorisation, usually with permission to deal as principal. Since August 2019 the FCA's permanent CFD rules cap retail leverage, require negative balance protection and standardise margin close-out.

License types

The license used by forex and CFD brokers in the United Kingdom: Part 4A permission as an investment firm, with permissions such as dealing in investments as principal or as agent. [1] Legal basis: Financial Services and Markets Act 2000; FCA Handbook (MIFIDPRU prudential rules, COBS 22.5 CFD rules, CASS client assets rules). [4] [5]

- **Dealing as principal (market maker)** – the firm takes the other side of client trades; highest capital tier
- **Dealing as agent or matched principal (STP/agency)** – orders are passed to a liquidity provider; lower capital if no own-account dealing
- **Arranging deals / introducing** – for introducers that do not hold client money

Capital and financial requirements

Minimum capital in the United Kingdom (2026): 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. [2]

Application fee: Set by pricing category. The FCA says most CFD firms fall into Category 6: £11,260 for 2026/27. [3]

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, or 12 months if incomplete. [4] [8] The usual steps are:

1. Pre-application engagement with the FCA (optional but common for CFD business models).
2. Prepare the regulatory business plan, financial projections, wind-down plan, ICARA, compliance monitoring plan and client money arrangements.
3. Apply through the FCA's Connect system and pay the application fee.
4. Senior manager applications and fitness checks are assessed alongside the firm.
5. The FCA asks questions, may interview the firm and decides within the statutory period.

Substance and governance

A UK-established firm whose senior managers are approved by the FCA under the Senior Managers and Certification Regime, with adequate UK resources.

Trader protection

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

Protection	Rule in the United Kingdom
Retail leverage limits	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). [1] [6]
Negative balance protection	Required for retail clients on a per-account basis; positions must be closed out when funds fall to 50% of the margin needed. [1] [5]
Client money	Client money must be held under the FCA's client assets (CASS) rules.

Protection	Rule in the United Kingdom
Compensation if the firm fails	FSCS: up to £85,000 per eligible person, per firm, for investment claims where the firm failed after 1 April 2019. [7]
Serving clients abroad	No EU passport since Brexit. A UK license covers UK business; clients abroad are subject to the rules of their own country.

Number of licensed firms

The FCA told Finance Magnates, in answer to a freedom-of-information request, that 105 firms were in its CFD portfolio on 1 December 2025, of which 74 could offer CFDs to retail clients. In 2026 the FCA said 21 CFD firms had closed since 2025 after a crackdown on firms using UK authorisation as a badge for offshore affiliates, and three more were cancelling their permissions. [9] [10] [11]

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 FCA has repeatedly warned CFD providers against moving retail clients to ‘elective professional’ status inappropriately, or redirecting them to group entities incorporated overseas, because both deprive consumers of FCA protections. Application fees rose for 2026/27 with the FCA's annual fee instrument. [1] [3]

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: FCA Financial Services Register .
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 an FCA license let a broker serve EU clients?

No. Since the end of the Brexit transition period, UK firms have no MiFID passport. Serving EU clients needs an EU license, usually through a separate EU subsidiary.

Is my money covered if an FCA-licensed CFD broker fails?

Client money should be segregated, and eligible clients can claim from the FSCS up to £85,000 per person, per firm, for investment claims. Trading losses are never covered.

Figures as of November 2026. Requirements, fees and capital change; confirm with the FCA 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 Cyprus
- 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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2. Official MIFIDPRU 4.4: Permanent minimum capital requirement . FCA Handbook. Accessed November 2026.
3. Official Authorisation and registration application fees . Financial Conduct Authority. Accessed November 2026.

4. Official Financial Services and Markets Act 2000, section 55V: determination of applications . legislation.gov.uk. Accessed November 2026.
5. Official COBS 22.5: Restrictions on the retail marketing, distribution and sale of CFDs . FCA Handbook. Accessed November 2026.
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