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Forex license

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

	Forex license
Also called	Forex broker license, CFD license, investment firm authorisation
Granted by	The financial regulator of the jurisdiction
Needed for	Dealing in, arranging or advising on leveraged FX and CFDs for clients
Checked on	The regulator's public register

In short: A forex license is the authorisation a firm needs from a financial regulator to offer leveraged forex or CFDs to clients. What it is worth to a trader depends on the rules behind it: capital, leverage caps, negative balance protection, client money rules and compensation differ widely between jurisdictions.

There is rarely a legal document called a “forex license”. The term is market shorthand for whatever authorisation a jurisdiction requires to deal in rolling spot forex and contracts for difference (CFDs) with clients. In the EU it is a MiFID II investment firm authorisation, in Australia an AFS licence, in Seychelles a Securities Dealer Licence and in the US a CFTC registration as a retail foreign exchange dealer. [1] [2]

Who needs a license

Broadly, a firm needs a license if it takes the other side of client trades (a market maker), passes client orders to the market (an agency or STP broker), holds client money for trading, or advises on and arranges such trades. Introducing brokers that only refer clients often need a lighter permission, or none, depending on the country. See Market maker vs agency broker.

What a license proves, and what it does not

- **It proves** that a regulator assessed the firm at authorisation and supervises it on an ongoing basis, under that jurisdiction's rules.
- **It does not prove** that the firm is safe, that prices are fair, or that every client of the brand is protected. Protection comes from specific rules, which this wiki compares: leverage limits, negative balance protection, client money segregation and compensation schemes.
- **It never covers trading losses.** Most retail CFD accounts lose money, whatever the license. [1]

Licensed, registered and “regulated”

Some claims of regulation are not licenses at all:

- Saint Vincent and the Grenadines registers companies but has stated that it does not license or supervise forex brokers. [3]
- The Government of Nauru has gazetted a notice that the “International Services Authority of Nauru” is a fraudulent scheme, not a legally recognised entity. [6]
- The Central Bank of the Comoros has named the island licensing bodies of Anjouan and Mohéli among fictitious structures claiming to issue licenses. [7]
- In the UAE, a Category 5 permission from the Capital Market Authority covers introduction and promotion only; in October 2026, 142 firms held it against 28 cleared for OTC derivatives and spot forex. [4]
- A Cayman Islands “registered person” is exempt from licensing only because it deals with sophisticated or high-net-worth clients. [5]
- Saint Lucia's financial regulator has said it does not regulate or license forex brokerage or CFDs. [8]
- A US FinCEN or Canadian FINTRAC MSB registration is an anti-money-laundering registration, not a license to offer forex trading. [9] [10]

One brand, several licenses

Large brokers usually run several legal entities under one brand, each with its own regulator. A client's protection depends on the entity named in their client agreement, not on the best-known license of the group. The FCA has warned firms against redirecting UK retail clients to overseas group entities, because this deprives them of FCA protections. [1]

License guides

Jurisdiction	Regulator	Website	License
Anjouan (Comoros)	AOFA / Anjouan FSA (not recognised)	anjouanfsa.com (not a recognised regulator)	“Brokerage and Securities” or “FX Dealer” license sold in Anjouan's name
Australia	ASIC	asic.gov.au	Australian financial services licence (AFSL) authorising the firm to issue and deal in derivatives and foreign exchange contracts
Bahamas	SCB	scb.gov.bs	Registration for dealing in capital markets instruments, with the separate registration for dealing in contracts for differences
Belize	FSC Belize	belizefsc.org.bz	Licence for trading in securities (financial and commodity-based derivatives, including FX) under the Financial Services Commission Act
British Virgin Islands	BVI FSC	bvifsc.vg	Investment business licence under SIBA, usually Category 1B (dealing as principal) and Category 2 (arranging deals)
Cayman Islands	CIMA	cima.ky	Securities Investment Business licence (broker-dealer or market maker) under SIBA

Jurisdiction	Regulator	Website	License
Cyprus	CySEC	cysec.gov.cy	Cyprus Investment Firm (CIF) authorisation under MiFID II
Germany	BaFin	bafin.de	Authorisation as an investment firm (Wertpapierinstitut) under the WpIG, or as a credit institution under the KWG
Grande Comore (Comoros)	IRAGC (no legal basis found)	iragc.com (not a recognised regulator)	Licenses marketed under the IRAGC name
Labuan (Malaysia)	Labuan FSA	labuanfsa.gov.my	Labuan money broking licence
Marshall Islands	None	No regulator	None
Mauritius	FSC Mauritius	fscmauritius.org	Investment Dealer licence, usually the Full Service Dealer (excluding Underwriting) category, register code SEC-2.1B
Mohéli / Mwali (Comoros)	MISA (not recognised)	mwaliisa.com (not a recognised regulator)	“International Brokerage and Clearing House” license issued by MISA to Mohéli international business companies
Nauru	ISAN (declared fraudulent)	isanauru.com (not a recognised regulator)	None recognised
Poland	KNF	knf.gov.pl	Brokerage house (dom maklerski) licence for brokerage activity, or a bank brokerage licence
Saint Lucia	FSRA (does not license forex)	pmd.govt.lc (does not license forex)	None for forex or CFD brokerage
Saint Vincent and the Grenadines	SVG FSA	svgfsa.com (does not license forex)	None

Jurisdiction	Regulator	Website	License
Seychelles	FSA Seychelles	fsaseychelles.sc	Securities Dealer Licence under the Securities Act 2007 (the FSA can also grant a restricted licence)
Singapore	MAS	mas.gov.sg	Capital Markets Services (CMS) licence for dealing in capital markets products, covering OTC derivatives such as CFDs and spot FX for leveraged foreign exchange trading
South Africa	FSCA	fsca.co.za	Over-the-counter derivative provider (ODP) authorisation for firms that issue CFDs as principal
Switzerland	FINMA	finma.ch	Banking licence for foreign exchange dealers domiciled in Switzerland
United Arab Emirates	CMA / DFSA / FSRA	uaecma.gov.ae	Onshore: CMA Category 1 license for trading in OTC derivatives and spot currencies
United Kingdom	FCA	fca.org.uk	Part 4A permission as an investment firm, with permissions such as dealing in investments as principal or as agent
United States	CFTC / NFA	cftc.gov	Registration with the CFTC as a retail foreign exchange dealer (RFED) or futures commission merchant (FCM), and NFA membership as a Forex Dealer Member

Jurisdiction	Regulator	Website	License
Vanuatu	VFSC	vfsc.vu	Financial Dealers Licence (Principal's licence): Class A covers debt instruments and proceeds of foreign exchange, Class B equities, precious metals and commodities, Class C derivatives, Class D digital assets

Frequently asked questions

Is a forex license the same everywhere?

No. The name, the capital, and above all the client protections differ. Compare them in the comparison table.

How do I check a broker's license?

Search for the exact legal entity on the regulator's own register, and check the website address matches. See How to verify a broker's license.

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

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