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Retail and professional client status

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In short: Leverage caps, negative balance protection and, often, compensation schemes apply to retail clients. A client who is reclassified as an “elective professional” loses most of them. [1]

In the EU and the UK, a retail client can ask to be treated as professional if they meet tests based on trading activity, portfolio size and professional experience. ASIC uses the term “wholesale client” and the US uses “eligible contract participant”, with their own thresholds.

The FCA has warned CFD providers against inappropriately “opting up” retail consumers to elective professional status, because it deprives them of protections under its rules. [1] Before accepting a reclassification, a client should know exactly which protections they give up.

References

1. Official Contracts for difference: rules for firms . Financial Conduct Authority. Accessed November 2026.

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