FREE · ONE PAGE · NO SIGNUP

# The 5-minute broker licence check

Five checks to run before you deposit a single euro with any forex broker. You only need the broker's website and the regulator's public register.

**Affiliate disclosure:** CompareFX may earn a referral fee when you open an account through links on our site. This page names no broker and contains no broker links.

**Risk warning:** CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Most retail investor accounts lose money when trading CFDs. A valid licence means a regulator oversees the broker. It does not protect you from trading losses.

## 1 Find the licence number on the broker's own site

Scroll to the footer, or open the About or Legal page. Write down three things: the regulator's name, the company's legal name, and the licence number. Can't find them in one minute? Stop here. That is your answer.

**Stop if:** No regulator, no legal name or no number

## 2 Open the regulator's register yourself

Type the regulator's address into your browser. Do not click the broker's own "regulated by" badge or link. EU and UK registers: CySEC (cysec.gov.cy), BaFin (bafin.de), AMF (regafi.fr), FSMA (fsma.be), FCA (register.fca.org.uk).

**Stop if:** The broker's link takes you to a page that is not the regulator's

## 3 Search by the number, not the brand

Brand names change. Licence numbers do not. Search the register by the number you wrote down. The company name it shows must match the legal name on the broker's site exactly.

**Stop if:** No result, or a different company name

## 4 Check the status and what it covers

The status must say Authorised or Active today, not Former, Suspended or Revoked. The licence must also cover dealing for retail clients (order execution or reception and transmission of orders), not only fund management.

**Stop if:** Status is not active, or retail trading is not covered

## 5 Check the protections an EU broker must show

An EU broker serving retail clients must show the percentage of accounts that lose money with CFDs, and must offer negative balance protection. Find both on its site or in its terms before you deposit.

**Stop if:** No loss percentage shown, or no negative balance protection

**All five passed?** The broker is licensed for what it offers you. That says nothing about its costs. Comparing those is the next step.