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Australia (ASIC) vs UK (FCA): prop firm rules compared

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In short: Australia (ASIC): regulator's position monitoring (reported, 2024), licensed-route capital Depends on licence, compensation none. The United Kingdom (FCA): regulator's position no policy; warnings on some firms, licensed-route capital £750,000 (own-account investment firm), compensation none for challenge fees. Figures as of November 2026.

This page sets the two regimes side by side, using the same headings for each. It does not say which is ‘better’: that depends on the business model and on who the traders are. The full rules, sources and FAQs are in the Prop firm license in Australia and Prop firm license in the United Kingdom guides.

Side by side

	Australia	United Kingdom
Regulator	Australian Securities and Investments Commission (ASIC)	Financial Conduct Authority (FCA)
Regulator's position	No formal guidance. ASIC told the trade press in August 2024 that it is monitoring the emergence of prop trading firms or services relating to CFD trading.	No published policy statement on funded-trader programmes. The FCA's Warning List includes at least one funded-trader website that the FCA says may be providing or promoting financial services without permission.
License	No licence for evaluation-only programmes as such; an Australian financial services (AFS) licence for dealing in or issuing derivatives such as CFDs to retail clients	No FCA authorisation for simulated evaluations as such; FCA authorisation where the firm carries on regulated activities for clients (for example dealing, arranging or managing investments), or deals on own account outside the MiFID exemption

	Australia	United Kingdom
Legal basis	Corporations Act 2001, Chapter 7; Australian Consumer Law for challenge fees	Financial Services and Markets Act 2000 and the Regulated Activities Order; consumer law for challenge fees
Minimum capital (licensed route)	Depends on the AFS licence authorisations. Not confirmed.	An FCA investment firm with permission to deal on own account has a permanent minimum capital requirement of £750,000; most other MIFIDPRU investment firms need £75,000 or £150,000. A firm that only trades its own money can fall outside MiFID-derived authorisation, subject to conditions such as not being a market maker or executing client orders.
Application fee	Not confirmed.	Not confirmed.
Decision time	Not confirmed.	Not confirmed.
Local substance	An AFS licensee must have adequate resources, competent responsible managers and dispute resolution arrangements, including AFCA membership.	Authorised firms must meet the FCA's threshold conditions, including adequate resources and suitable, fit and proper management based in the UK.
Consumer protection	The Australian Consumer Law applies to services sold to consumers; not confirmed how it applies to challenge fees.	UK consumer law applies to challenges sold to consumers: a 14-day cancellation right for online services (which can be lost once the service has been fully performed at the consumer's request), and a ban on misleading and aggressive commercial practices.
Live trading and payouts	Where an AFS-licensed broker executes live trades, its client money rules apply to its own clients. Not confirmed for challenge fees.	Evaluation accounts are usually simulated. Where a broker executes live trades, the broker's FCA client money rules protect its own clients, not the prop firm's challenge buyers.
Compensation scheme	None. Australia has no general compensation fund for retail derivatives clients; complaints against AFS licensees go to AFCA.	None for challenge fees. The FSCS protects investment business of authorised firms, up to £85,000 per person per firm, when the firm fails; challenge fees paid to an unauthorised business are not covered.

	Australia	United Kingdom
Serving traders abroad	No.	No. Since leaving the EU, a UK authorisation covers UK business only.
Public register	ASIC's registers (professional register and AFS licensees) [2]	FCA Financial Services Register [4]

Each figure is sourced in the license guide, where every line carries its own reference.

Frequently asked questions

Which license costs more to hold, Australia or the United Kingdom?

Australia: Depends on the AFS licence authorisations. Not confirmed. The United Kingdom: An FCA investment firm with permission to deal on own account has a permanent minimum capital requirement of £750,000; most other MIFIDPRU investment firms need £75,000 or £150,000. A firm that only trades its own money can fall outside MiFID-derived authorisation, subject to conditions such as not being a market maker or executing client orders. Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

What do the two regulators say about funded-trader firms?

Australia: No formal guidance. ASIC told the trade press in August 2024 that it is monitoring the emergence of prop trading firms or services relating to CFD trading. The United Kingdom: No published policy statement on funded-trader programmes. The FCA's Warning List includes at least one funded-trader website that the FCA says may be providing or promoting financial services without permission.

What happens to challenge fees if the firm fails?

Australia: None. Australia has no general compensation fund for retail derivatives clients; complaints against AFS licensees go to AFCA. The United Kingdom: None for challenge fees. The FSCS protects investment business of authorised firms, up to £85,000 per person per firm, when the firm fails; challenge fees paid to an unauthorised business are not covered.

Can a licensed firm serve traders in other countries?

Australia: No. The United Kingdom: No. Since leaving the EU, a UK authorisation covers UK business only.

See also

- Prop firm license in Australia
- Prop firm license in the United Kingdom
- UK (FCA) vs Czech Republic (CNB): prop firm rules compared
- US (CFTC / NFA) vs UK (FCA): prop firm rules compared
- UAE (CMA / DFSA / FSRA) vs UK (FCA): prop firm rules compared
- All 11 licenses in one table

References

1. Official Australian Securities and Investments Commission (ASIC) . Australia. Accessed November 2026.
2. Official ASIC's registers (professional register and AFS licensees) . ASIC. Accessed November 2026.
3. Official Financial Conduct Authority (FCA) . United Kingdom. Accessed November 2026.
4. Official FCA Financial Services Register . FCA. Accessed November 2026.

General information, not legal or investment advice. Figures as of November 2026; confirm with the regulator before applying or opening an account.

Source: https://propfirmlicensewiki.com/compare/australia-vs-uk/
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