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Prop firm rules compared

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This table sets out how each jurisdiction covered by PropFirmLicenseWiki treats prop trading firms, using the same headings for each. It is not a ranking: which regime fits depends on the business model (simulated evaluations, live trading of the firm's own capital, or services to clients) and on where the traders are. Every point is sourced in the jurisdiction's own guide.

In short: No jurisdiction covered here has a licence designed for evaluation (funded-trader) prop firms. Regulators either say simulated programmes fall outside their scope, warn the public about them, or have acted against individual firms. A licence is needed where a firm provides investment services to clients or deals on own account outside the exemptions: in the EU an investment firm that deals on own account needs €750,000 initial capital. Compensation schemes do not cover challenge fees (as of November 2026).

Regulator's position and licensed routes

Jurisdiction	Regulator	Website	Regulator's position	Licence	Licensed-route capital	Decision time
Australia	ASIC	asic.gov.au	Monitoring (reported, 2024)	No licence for evaluation-only programmes as such	Depends on licence	Not confirmed
Belgium	FSMA	fsma.be	Public warning	No licence for evaluation-only (simulated) programmes as such	€750,000 (own-account investment firm)	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation
Canada	CSA / OSC	securities-administrators.ca	Enforcement action (2023)	No specific regime	Not confirmed	Not confirmed

Jurisdiction	Regulator	Website	Regulator's position	Licence	Licensed-route capital	Decision time
Cyprus	CySEC	cysec.gov.cy	No formal position	No licence for evaluation-only (simulated) programmes as such	€750,000 (own-account investment firm)	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation
Czech Republic	CNB	cnb.cz	Demo-only models outside scope (reported)	No licence for evaluation-only (simulated) programmes as such	€750,000 (own-account investment firm)	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation
India	SEBI / RBI	sebi.gov.in	Advisory against (2024)	No licence for retail funded-trader platforms. Residents may trade securities only through SEBI-registered intermediaries, and forex only with RBI-authorised persons on permitted terms	Not applicable	Not applicable
Italy	Consob	consob.it	Public warning (2024)	No licence for evaluation-only (simulated) programmes as such	€750,000 (own-account investment firm)	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation

Jurisdiction	Regulator	Website	Regulator's position	Licence	Licensed-route capital	Decision time
Spain	CNMV	cnmv.es	Warning; outside CNMV scope	No licence for evaluation-only (simulated) programmes as such	€750,000 (own-account investment firm)	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation
United Arab Emirates	CMA / DFSA / FSRA	sca.gov.ae	Not confirmed	No licence for evaluation-only programmes as such	Varies by regime	Not confirmed
United Kingdom	FCA	fca.org.uk	No policy; warnings on some firms	No FCA authorisation for simulated evaluations as such	£750,000 (own-account investment firm)	Not confirmed
United States	CFTC / NFA	cftc.gov	Enforcement case dismissed (2025)	No licence for simulated evaluations as such	$45,000 (independent introducing broker)	Not confirmed

Trader protection

Jurisdiction	Website	Consumer protection	Compensation	Serving traders abroad	Prop firm register
Australia	asic.gov.au	Australian Consumer Law	None	No	No prop firm register
Belgium	fsma.be	EU consumer law	None for challenge fees	Only for licensed firms	No prop firm register
Canada	securities-administrators.ca	Provincial consumer law	None for challenge fees	Within Canada	No prop firm register
Cyprus	cysec.gov.cy	EU consumer law	None for challenge fees	Only for licensed firms	No prop firm register
Czech Republic	cnb.cz	EU consumer law	None for challenge fees	Only for licensed firms	No prop firm register

Jurisdiction	Website	Consumer protection	Compensation	Serving traders abroad	Prop firm register
India	sebi.gov.in	No SEBI recourse	None	Not applicable	No prop firm register
Italy	consob.it	EU consumer law	None for challenge fees	Only for licensed firms	No prop firm register
Spain	cnmv.es	EU consumer law	None for challenge fees	Only for licensed firms	No prop firm register
United Arab Emirates	sca.gov.ae	Not confirmed	None	No	No prop firm register
United Kingdom	fca.org.uk	UK consumer law	None for challenge fees	No	No prop firm register
United States	cftc.gov	FTC Act and state law	None	Not applicable	Check NFA BASIC

As of November 2026. “Not confirmed” means we have not yet verified the point from an official source; it does not mean there is no rule. “Reported” means the regulator's view comes from the trade press, not a formal publication. See the disclaimer.

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Patterns

- **No licence for evaluations:** regulators in Spain, Italy and Belgium have warned the public about paid challenges, and the Spanish regulator says they fall outside its supervision. See What regulators say about prop firms.
- **The licence attaches to the trading, not the challenge:** where real orders reach the market for clients, the broker or investment firm that handles them is licensed. See Dealing on own account and Prop firms and brokers.
- **Enforcement has been mixed:** the US and Ontario cases against My Forex Funds ended with courts criticising the regulators. See the United States and Canada guides.
- **No compensation for challenge fees:** investor compensation schemes protect clients of licensed firms, not buyers of challenges. See Compensation if a prop firm fails.

Source: https://propfirmlicensewiki.com/compare-licenses/
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Popular comparisons

Two-license comparisons, side by side:

- Czech Republic (CNB) vs Cyprus (CySEC)
- UK (FCA) vs Czech Republic (CNB)
- US (CFTC / NFA) vs Canada (CSA / OSC)
- US (CFTC / NFA) vs UK (FCA)
- Spain (CNMV) vs Italy (Consob)
- Belgium (FSMA) vs Spain (CNMV)
- UAE (CMA / DFSA / FSRA) vs UK (FCA)
- UAE (CMA / DFSA / FSRA) vs Cyprus (CySEC)
- Australia (ASIC) vs UK (FCA)
- India (SEBI / RBI) vs UAE (CMA / DFSA / FSRA)