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UK (FCA) vs Czech Republic (CNB): prop firm rules compared

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In short: 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. The Czech Republic (CNB): regulator's position demo-only models outside scope (reported), 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 the United Kingdom and Prop firm license in the Czech Republic guides.

Side by side

	United Kingdom	Czech Republic
Regulator	Financial Conduct Authority (FCA)	Czech National Bank (CNB)
Regulator's position	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.	No formal guidance. The CNB told the trade press in 2024 that funded-trader business models take various forms, some of which may be subject to MiFID, and later that platforms where traders use only demo (simulated) accounts do not need authorisation.
License	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	No licence for evaluation-only (simulated) programmes as such; a MiFID II investment firm authorisation where the business provides investment services to clients or deals on own account outside the exemptions

	United Kingdom	Czech Republic
Legal basis	Financial Services and Markets Act 2000 and the Regulated Activities Order; consumer law for challenge fees	Directive 2014/65/EU (MiFID II), applied in the Czech Republic by the Czech National Bank (CNB); Directive (EU) 2019/2034 (IFD) for capital; EU consumer law for challenge fees
Minimum capital (licensed route)	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.	Under the Investment Firms Directive, an investment firm authorised to deal on own account needs initial capital of €750,000. A firm that only receives and transmits orders, executes orders or gives advice, and may not hold client money, needs €75,000; other investment firms need €150,000. A firm that trades only its own money can be outside MiFID II altogether (Article 2(1)(d)), unless it is a market maker, has direct electronic access to a trading venue or is a member of one, uses high-frequency algorithmic trading, or deals on own account when executing client orders.
Application fee	Not confirmed.	Set nationally by the CNB. Not confirmed.
Decision time	Not confirmed.	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation.
Local substance	Authorised firms must meet the FCA's threshold conditions, including adequate resources and suitable, fit and proper management based in the UK.	An investment firm must have its head office in the member state where it has its registered office, and its business must be effectively directed by at least two persons of sufficiently good repute with sufficient knowledge, skills and experience.

	United Kingdom	Czech Republic
Consumer protection	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.	EU consumer law applies when challenges are sold to consumers. The Unfair Commercial Practices Directive bans misleading claims, for example about pass rates or earnings. The Consumer Rights Directive gives a 14-day right of withdrawal for online contracts, which can be lost once a service has been fully performed with the consumer's express consent.
Live trading and payouts	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.	Evaluation accounts are usually simulated, so no trader money sits with a broker. Where trades are copied to or placed in live markets, the executing broker's licence and client asset rules protect the broker's own clients; they do not cover challenge fees paid to the prop firm.
Compensation scheme	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.	None for challenge fees or promised payouts. Investor compensation schemes cover clients of authorised investment firms (at least €20,000 per investor under the EU directive) when the firm cannot return their money or investments; a challenge fee is a purchase, not an investment held for the buyer.
Serving traders abroad	No. Since leaving the EU, a UK authorisation covers UK business only.	An authorised investment firm can serve clients across the EU and EEA after notifying its home authority. An evaluation business without a licence has nothing to passport; it is governed by consumer, company and tax law in each country where it sells.
Public register	FCA Financial Services Register [2]	the CNB list of regulated and registered entities (JERRS) [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, the United Kingdom or the Czech Republic?

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. The Czech Republic: Under the Investment Firms Directive, an investment firm authorised to deal on own account needs initial capital of €750,000. A firm that only receives and transmits orders, executes orders or gives advice, and may not hold client money, needs €75,000; other investment firms need €150,000. A firm that trades only its own money can be outside MiFID II altogether (Article 2(1)(d)), unless it is a market maker, has direct electronic access to a trading venue or is a member of one, uses high-frequency algorithmic trading, or deals on own account when 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?

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. The Czech Republic: No formal guidance. The CNB told the trade press in 2024 that funded-trader business models take various forms, some of which may be subject to MiFID, and later that platforms where traders use only demo (simulated) accounts do not need authorisation.

What happens to challenge fees if the firm fails?

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. The Czech Republic: None for challenge fees or promised payouts. Investor compensation schemes cover clients of authorised investment firms (at least €20,000 per investor under the EU directive) when the firm cannot return their money or investments; a challenge fee is a purchase, not an investment held for the buyer.

Can a licensed firm serve traders in other countries?

The United Kingdom: No. Since leaving the EU, a UK authorisation covers UK business only. The Czech Republic: An authorised investment firm can serve clients across the EU and EEA after notifying its home authority. An evaluation business without a licence has nothing to passport; it is governed by consumer, company and tax law in each country where it sells.

See also

- Prop firm license in the United Kingdom
- Prop firm license in the Czech Republic
- Czech Republic (CNB) vs Cyprus (CySEC): 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
- Australia (ASIC) vs UK (FCA): prop firm rules compared
- All 11 licenses in one table

References

1. Official Financial Conduct Authority (FCA) . United Kingdom. Accessed November 2026.
2. Official FCA Financial Services Register . FCA. Accessed November 2026.
3. Official Czech National Bank (CNB) . Czech Republic. Accessed November 2026.
4. Official the CNB list of regulated and registered entities (JERRS) . CNB. 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.

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