PropFirmLicenseWiki
The free, sourced encyclopedia of prop firm licensing and regulation
propfirmlicensewiki.com

Dealing on own account

From PropFirmLicenseWiki, the free encyclopedia of prop firm licensing · Last updated 28 November 2026

In short: MiFID II exempts firms that deal only on their own account in financial instruments (other than commodity derivatives and emission allowances), unless they are market makers, are members of or have direct electronic access to a trading venue, use high-frequency algorithmic trading, or deal on own account when executing client orders. [1] [2] A firm that needs a licence to deal on own account must hold €750,000 initial capital in the EU and £750,000 permanent minimum capital in the UK. [3] [4]

The exemption

Article 2(1)(d) of MiFID II takes own-account traders outside the directive if they provide no other investment services. The exemption is lost by firms that: [1] [2]

- are market makers;
- are members or participants of a regulated market or multilateral trading facility, or have direct electronic access to a trading venue (with a narrow exception for some non-financial firms);
- apply a high-frequency algorithmic trading technique; or
- deal on own account when executing client orders.

The UK kept the same structure; the FCA's Perimeter Guidance explains it. [5]

Capital

Regime	Dealing on own account	Other investment firms
EU (Investment Firms Directive)	€750,000 initial capital [3]	€75,000 or €150,000 [3]
United Kingdom (MIFIDPRU)	£750,000 permanent minimum [4]	£75,000 or £150,000 [4]

Regime	Dealing on own account	Other investment firms
United States (futures)	Introducing broker: $45,000 adjusted net capital unless guaranteed by a futures commission merchant [6]	

Why it matters for evaluation firms

An evaluation firm that copies a funded trader's simulated trades into a real account in its own name is trading its own money. Whether that needs a licence depends on how it reaches the market: through a broker as an ordinary client, or with direct electronic access or market-making activity that removes the exemption.

EU guides

- Prop firm license in Belgium
- Prop firm license in Cyprus
- Prop firm license in the Czech Republic
- Prop firm license in Italy
- Prop firm license in Spain

References

1. Official MiFID II Article 2: Exemptions (Interactive Single Rulebook) . European Securities and Markets Authority. Accessed November 2026.
2. Official Directive 2014/65/EU on markets in financial instruments (MiFID II) . EUR-Lex. Accessed November 2026.
3. Official Directive (EU) 2019/2034 on the prudential supervision of investment firms (IFD) . EUR-Lex. Accessed November 2026.
4. Official MIFIDPRU 4.4: Permanent minimum capital requirement . FCA Handbook. Accessed November 2026.
5. Official PERG 13.5: Exemptions from MiFID (own account dealing, Q39 to Q40C) . FCA Handbook. Accessed November 2026.
6. Official Minimum Adjusted Net Capital Requirements for Futures Commission Merchants and Introducing Brokers (CFTC Regulation 1.17) . CFTC. Accessed November 2026.

Source: https://propfirmlicensewiki.com/own-account-dealing/
Version: last updated 28 November 2026. Check the online version for later changes.

© 2026 PropFirmLicenseWiki. PropFirmLicenseWiki is a free, independent encyclopedia of prop firm licensing: what each regulator says about funded-trader (evaluation) firms, which licences apply to prop trading, and what traders are and are not protected by, across 11 jurisdictions. General information, not legal or investment advice. Confirm with the regulator or a qualified adviser before acting.