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Prop firm license in the Czech Republic

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Prop firms in the Czech Republic



Flag

Regulator	Czech National Bank (CNB) [1]
Regulator's position	Demo-only models outside scope (reported) [9] [2]
Licence	No licence for evaluation-only (simulated) programmes as such [3] [8]
Legal basis	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 [3] [4] [5] [6]
Licensed-route capital	€750,000 (own-account investment firm) [4] [8]
Consumer protection	EU consumer law [5] [6]
Compensation scheme	None for challenge fees [7]
Serving traders abroad	Only for licensed firms [3]
Prop firm register	No prop firm register [1]
Public register	the CNB list of regulated and registered entities (JERRS)

In short: 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. [3] [8] Regulator's position (CNB): demo-only models outside scope (reported). [9] [2] Capital for the licensed route: €750,000 (own-account investment firm). [4] [8] Compensation if the firm fails: none for challenge fees. [7] As of November 2026.

The **Czech Republic** has no licence for prop firms as such. Investment firms are authorised by the **Czech National Bank (CNB)** under the EU's MiFID II, and the CNB has said that demo-account (simulated) prop trading platforms do not need that authorisation, while some other funded-trader models may. Prague is home to FTMO, one of the largest evaluation firms, which bought the OANDA broker group in 2025.

Regulator's position

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. [9] [2]

A regulator's silence is not approval. Where we found no public statement, this article says so.

Business models and licences

In the Czech Republic: 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. [3] [8] Legal basis: 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. [3] [4] [5] [6]

- **Evaluation (funded-trader) firm** – sells paid challenges on simulated accounts and shares simulated or replicated profits with traders who pass; not licensed as such
- **Own-account trading firm** – trades the firm's own capital in real markets; may be exempt from MiFID II or need an investment firm licence with €750,000 initial capital
- **Prop firm linked to a broker** – a prop brand next to a licensed investment firm that offers live accounts; the investment firm is licensed, the challenge usually is not

Capital for the licensed route

Minimum capital in the Czech Republic (2026): 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. [4] [8]

Application fee: Set nationally by the CNB. Not confirmed.

> Capital is only the regulatory floor. Staff, audit, compliance, risk management and technology usually cost more than the capital itself.

Setting up

Decision time for a licence: MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation. [3] The usual steps are:

1. Decide the model: simulated evaluations only, live trading of the firm's own capital, or services to clients.
2. Take advice on whether the model falls within MiFID II. Regulators have said that some funded-trader models may.
3. For a licensed route, apply to the Czech National Bank (CNB) with the programme of operations, capital, governance (at least two directors), AML/CFT, conflicts of interest and client asset arrangements.
4. For an evaluation business, make terms clear and avoid misleading profit claims (consumer law), check identities and screen payouts (AML and sanctions), and protect trader data (GDPR).
5. Check the requirements of platform, payment and broker partners. Platform providers have cut off prop firms over clients in restricted countries.

Substance and governance

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. [3]

Trader protection

What protects traders in the Czech Republic, as of November 2026. See Trader protection for the same points in every jurisdiction.

Protection	Rule in the Czech Republic
Consumer protection for challenge fees	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. [5] [6]
Live trading and payouts	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 if the firm fails	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. [7]
Serving traders abroad	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. [3]

Public registers

There is no public register of evaluation prop firms. Authorised investment firms are listed on the CNB list of regulated and registered entities (JERRS). [1]

> A regulator's register is the only current source of who holds a licence. A prop firm's website saying it is “regulated” is not.

Recent changes

On 1 December 2025 FTMO completed its acquisition of the OANDA broker group, which holds licences in several countries including the United States, the United Kingdom and Poland. FTMO said OANDA would continue as a standalone business. [10]

How to check a prop firm

1. Find the exact legal name, registered address and company number of the entity that sells the challenge, usually in the terms and conditions or the website footer.
2. Check whether that entity, or the broker that executes live trades, appears on the regulator's register: the CNB list of regulated and registered entities (JERRS) . Most evaluation firms will not appear, because they are not licensed.
3. Search the regulator's warnings and IOSCO's I-SCAN alerts for the firm's name and website.
4. Read the rules on payouts, refunds, account closure and restricted countries before paying, and keep copies.

Frequently asked questions

Do prop firms need a licence in the Czech Republic?

There is no licence for evaluation-only programmes as such. A business that provides investment services to clients, or deals on own account outside MiFID II's exemptions, needs authorisation from the Czech National Bank (CNB).

Can I get my challenge fee back?

Only under the firm's own terms or consumer law. The 14-day withdrawal right for online purchases can be lost once the challenge has started with your express consent, and no compensation scheme covers challenge fees.

As of November 2026. Rules and regulators' positions change; confirm with the CNB or a qualified adviser before you set up a prop firm or pay for a challenge. Where we could not confirm a point from an official source, this article says so.

See also

- Prop firm rules compared
- Prop firm license in Cyprus
- Prop firm license in Spain
- Prop firm license in Italy
- Prop firm license in Belgium
- How to check a prop firm
- All jurisdictions

References

Entries marked **Official** are the regulator, the law or another public body. Trade press is used only where no official text exists, and is named.

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3. Official Directive 2014/65/EU on markets in financial instruments (MiFID II) . EUR-Lex. Accessed November 2026.
4. Official Directive (EU) 2019/2034 on the prudential supervision of investment firms (IFD) . EUR-Lex. Accessed November 2026.
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7. Official Directive 97/9/EC on investor-compensation schemes . EUR-Lex. Accessed November 2026.
8. Official MiFID II Article 2: Exemptions (Interactive Single Rulebook) . European Securities and Markets Authority. Accessed November 2026.
9. Exclusive: Czech Regulator Asserts Prop Trading Firms May Be Subject to MiFID . Finance Magnates. Accessed November 2026.
10. FTMO Building Global Trading Powerhouse – Completes Acquisition of OANDA from CVC (press release, 2 December 2025) . OANDA Group. Accessed November 2026.

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