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Prop firm license in the United States

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Prop firms in the United States



Flag

Regulator	Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) [1]
Regulator's position	Enforcement case dismissed (2025) [2] [7]
Licence	No licence for simulated evaluations as such [1] [3] [8]
Legal basis	Commodity Exchange Act and CFTC regulations; NFA rules for members; Federal Trade Commission Act and state law for consumer protection [1] [3] [6]
Licensed-route capital	$45,000 (independent introducing broker) [3]
Consumer protection	FTC Act and state law [6]
Compensation scheme	None [5]
Serving traders abroad	Not applicable [1]
Prop firm register	Check NFA BASIC [4] [8]
Public register	NFA BASIC (Background Affiliation Status Information Center)

In short: No licence for simulated evaluations as such; CFTC registration and NFA membership as an introducing broker for a firm that introduces traders' live futures accounts to a futures commission merchant; CFTC registration for offering leveraged retail forex or retail commodity transactions. [1] [3] [8] Regulator's position (CFTC / NFA): enforcement case dismissed (2025). [2] [7] Capital for the licensed route: $45,000 (independent introducing broker). [3] Compensation if the firm fails: none. [5] As of November 2026.

The **United States** has no licence for evaluation prop firms as such. Futures and retail forex are regulated by the **Commodity Futures Trading Commission (CFTC)**, with the **National Futures Association (NFA)** as the self-regulatory body. The CFTC's 2023 fraud case against My Forex Funds was dismissed in 2025, and several futures prop firms have since registered introducing brokers with the CFTC.

Regulator's position

No rule specific to funded-trader programmes. In 2023 the CFTC sued My Forex Funds, alleging fraud in retail forex and commodity transactions; in May 2025 a federal court dismissed the case with prejudice and sanctioned the CFTC over misconduct in the litigation. [2] [7]

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

Business models and licences

In the United States: no licence for simulated evaluations as such; CFTC registration and NFA membership as an introducing broker for a firm that introduces traders' live futures accounts to a futures commission merchant; CFTC registration for offering leveraged retail forex or retail commodity transactions. [1] [3] [8] Legal basis: Commodity Exchange Act and CFTC regulations; NFA rules for members; Federal Trade Commission Act and state law for consumer protection. [1] [3] [6]

- **Evaluation (funded-trader) firm** – sells challenges on simulated futures or forex accounts; not registered as such
- **Introducing broker** – introduces traders' live accounts to a futures commission merchant; CFTC registration and NFA membership
- **Futures commission merchant** – holds customer money and carries accounts; the executing broker behind most futures prop platforms

Capital for the licensed route

Minimum capital in the United States (2026): An introducing broker must hold adjusted net capital of at least $45,000, unless it operates under a guarantee agreement with a futures commission merchant (a guaranteed introducing broker). [3]

Application fee: 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: Not confirmed. The usual steps are:

1. Decide whether the firm will only run simulated evaluations or will introduce or carry live accounts.
2. For live accounts, register as an introducing broker with the CFTC through the NFA, either independent ($45,000 adjusted net capital) or guaranteed by a futures commission merchant.
3. Principals and associated persons pass NFA fitness and proficiency checks.
4. For evaluations, comply with FTC and state consumer law, and with AML and sanctions rules on payouts.

Substance and governance

Registered firms and their principals must pass NFA's fitness checks, and principals and associated persons must meet NFA proficiency requirements. [4]

Trader protection

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

Protection	Rule in the United States
Consumer protection for challenge fees	The Federal Trade Commission Act prohibits unfair or deceptive acts or practices, and state consumer protection laws also apply to challenges sold to consumers. [6]
Live trading and payouts	Futures prop firms typically run evaluations on simulated accounts through NFA-registered futures commission merchants and platforms. Where a trader opens a live account, the futures commission merchant holds the money under CFTC customer segregation rules. [8]
Compensation if the firm fails	None. SIPC does not protect commodity futures contracts, and there is no compensation fund for challenge fees. [5]
Serving traders abroad	Not applicable. CFTC registration covers business with US customers; foreign prop firms that serve US residents remain subject to US law. [1]

Public registers

There is no register of evaluation firms. Registered introducing brokers, futures commission merchants and their principals can be checked in NFA BASIC; most evaluation firms are not registered. [4] [8]

> 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

Since 2026 several US futures prop firms have registered introducing brokers. Topstep launched Topstep Brokerage, an introducing broker with Plus500 as the clearing futures commission merchant. In February 2024 MetaQuotes's licensing action led many forex prop firms to stop serving US traders on MetaTrader. [8] [9] [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: NFA BASIC (Background Affiliation Status Information Center) . 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

Are US prop firms regulated by the CFTC?

Evaluation programmes are not registered with the CFTC as such. Some firms have registered introducing brokers for live accounts, which brings that business under CFTC and NFA rules. Check the firm in NFA BASIC.

What happened in the My Forex Funds case?

The CFTC sued the firm in 2023 alleging fraud. In May 2025 the court dismissed the case with prejudice and sanctioned the CFTC for misconduct in the litigation.

As of November 2026. Rules and regulators' positions change; confirm with the CFTC / NFA 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 Canada
- 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 Minimum Adjusted Net Capital Requirements for Futures Commission Merchants and Introducing Brokers (CFTC Regulation 1.17) . CFTC. Accessed November 2026.
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5. Official What SIPC protects . Securities Investor Protection Corporation. Accessed November 2026.
6. Official Federal Trade Commission Act . Federal Trade Commission. Accessed November 2026.
7. New Jersey federal judge dismisses Forex case with prejudice and awards attorney fees (26 May 2025) . Willkie Farr & Gallagher. Accessed November 2026.
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