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

What regulators say about prop firms

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

In short: Spain's CNMV, Italy's Consob and Belgium's FSMA have warned the public about paid prop firm challenges. [1] [2] [3] The US CFTC and Ontario's securities commission acted against My Forex Funds in 2023; the US case was dismissed in 2025 with sanctions against the CFTC. [4] [5] Other regulators have spoken only to the trade press, or not at all.

Jurisdiction	Regulator	Position
Australia	ASIC	No formal guidance. ASIC told the trade press in August 2024 that it is monitoring the emergence of prop trading firms or services relating to CFD trading.
Belgium	FSMA	Public warning. The FSMA has warned consumers against prop trading firms, calling the model a "shadow investment game": consumers must pay to pass a series of challenges, which is how the firms earn money from them, and the firm alone decides the conditions for using its platform.
Canada	CSA / OSC	Enforcement action. In August 2023 the OSC issued a temporary cease trade order against Traders Global Group Inc. (My Forex Funds), alleging possible breaches including fraud, unregistered trading and illegal distribution of securities. These allegations were not proven; the Ontario Superior Court later returned the firm's funds and client data and in 2026 awarded it costs against the OSC.
Cyprus	CySEC	No formal position. CySEC's chairman said in 2024 that prop trading firms would face more scrutiny and would probably fall under a regulatory framework at some point; in June 2026 he said that, to his knowledge, ESMA was not in substantive discussions about regulating retail prop trading.
Czech Republic	CNB	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.

Jurisdiction	Regulator	Position
India	SEBI / RBI	Advisory against. On 4 November 2024 SEBI cautioned investors against platforms offering virtual trading, paper trading or fantasy games based on listed companies' price data, saying they breach securities law and that users have no recourse through SEBI's complaint systems. The RBI's Alert List of unauthorised forex platforms has included some prop trading platforms.
Italy	Consob	Public warning (July 2024). Consob warned against online trading "video games": paid challenges, usually tied to training courses, after which self-described prop firms offer to switch the trader to supposedly real trading with the firm's capital.
Spain	CNMV	Public warning. The CNMV's guide to scams describes "funded trading accounts" sold with paid training courses, warns of the risk of fraud, and says that providing these courses or opening these accounts falls outside the CNMV's supervision.
United Arab Emirates	CMA / DFSA / FSRA	Not confirmed: we have not found a public statement on funded-trader programmes by the CMA, DFSA or FSRA.
United Kingdom	FCA	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.
United States	CFTC / NFA	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.

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. Each jurisdiction's sources are listed in its guide.

International alerts

Securities regulators share warnings through IOSCO's I-SCAN network. Consob's 2024 warning about funded trading was listed there.[6] Search I-SCAN for a firm's name and website before paying.

The EU level

In June 2026 the then chairman of CySEC, who also chaired ESMA's risk standing committee, said that to his knowledge ESMA was not in substantive discussions about regulating retail prop trading. [7]

References

1. Official Guía de la CNMV: Estafas y fraudes (section 2.2) . CNMV. Accessed November 2026.
2. Official Press release of 8 July 2024: Beware of online trading "video games" . Consob. Accessed November 2026.
3. Official The FSMA warns consumers against shadow investment game . FSMA. Accessed November 2026.
4. Official Release 8771-23: CFTC Charges "My Forex Funds" with Fraudulently Taking Over $300 Million From Customers Hoping to Become Professional Traders . CFTC. Accessed November 2026.
5. New Jersey federal judge dismisses Forex case with prejudice and awards attorney fees (26 May 2025) . Willkie Farr & Gallagher. Accessed November 2026.
6. Official International Securities & Commodities Alerts Network (I-SCAN) . International Organization of Securities Commissions. Accessed November 2026.
7. Prop Trading Slips Down Paris' Agenda as the US Steps Up . Finance Magnates (26 June 2026). Accessed November 2026.

Source: https://propfirmlicensewiki.com/regulator-warnings/
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.