ForexRev

PDF · 2026 EDITION

HOW TO CHOOSE A FOREX/CFD BROKER



A practical guide: how brokers operate, licences, safety of funds, costs, red flags and scams.

PREPARED BY THE TEAM AT
ForexRev.com

RULES AND DATA AS OF OCTOBER 2026

How to choose a Forex/CFD broker. A practical guide
2026 edition (previous editions: 2018, 2021)

This guide is for educational purposes only and does not constitute investment advice or legal or tax advice. We do not recommend any specific broker in it. Rules, limits and broker terms may change — check current information at the source before making a decision.

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Risk warning. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Most retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Do not invest money you cannot afford to lose.

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INTRODUCTION

This guide is written for traders at every level, from complete beginners to those with years of experience. We do not recommend specific brokers in it — we do not even name them. Instead, we show the criteria worth using to choose a firm that fits you and your trading style, and the warning signs that should set alarm bells ringing.

The guide is fairly long, so you do not have to read it cover to cover:

- **If you are just starting out** — read all of it. Chapters 1–2 explain how the Forex/CFD market works and how brokers make money. Without that knowledge it is hard to judge whether an offer is fair.
- **If you are experienced** — you can skip the first chapter. Do read the parts on regulation (chapter 3), safety of funds (4) and costs (5), because a lot has changed there in recent years.
- **If you are short of time** — go straight to the red flags, the scam patterns and the checklist at the end.

WHAT IS NEW IN THE 2026 EDITION

- Current capital requirements for brokers (EU IFR/IFD and UK IFPR) and current compensation scheme limits.
- Retail client protections that became permanent national rules after the ESMA intervention.
- The MiCA regulation — what changed in the crypto market from 1 July 2026.
- A new chapter on investment scams: deepfake ads, remote desktop software, fake platforms and fake "fund recovery".
- Prop firms and copy trading, a cost comparison example and a printable checklist.

The ForexRev.com team

CHAPTER 1

THE FOREX/CFD MARKET AND THE ROLE OF BROKERS

Let us start with one important point: **Forex is not an exchange**. It is an over-the-counter (OTC), decentralised market — there is no single place where all trades are made and no single institution that oversees them. That is why its structure can look confusing: many different players take part, and each has a different role.

It is also the largest financial market in the world. According to the Bank for International Settlements (BIS) survey of April 2025, daily turnover in the foreign exchange market reached **9.6 trillion US dollars** — 28% more than three years earlier. The dollar was on one side of 89% of all trades, and four centres — the United Kingdom, the United States, Singapore and Hong Kong — accounted for 75% of turnover.

Most people associate Forex with speculation, but the market is made up mainly of banks, funds and multinational companies. A firm that sells goods abroad has to exchange the euros or dollars it earns into the currency in which it pays its staff and suppliers, and it does so through its bank. For years banks exchanged currencies among themselves, adding their own margin (the spread) to the rate, and over time they began to speculate as well. To deepen the market they opened it to new participants: first large funds, then liquidity providers and brokers, and through them — individual investors.

THE INTERBANK MARKET

The interbank market is the top "tier" of the currency market: a network of banks and large financial institutions that trade currencies with one another. Because of the huge number of participants and requests, electronic matching systems were created. The two most important are **EBS** (now part of CME Group) and the **LSEG FX** platform (formerly Reuters, later Refinitiv). Originally they showed who wanted to trade and at what rate; today they are largely automated.

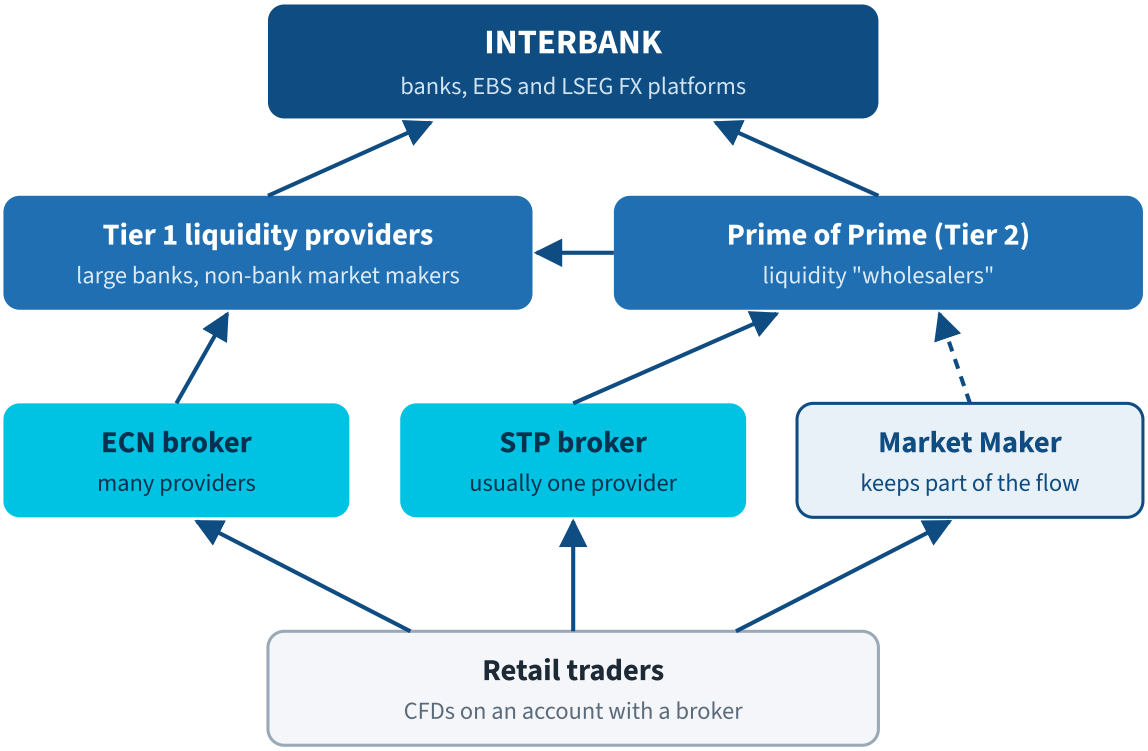
There is no leverage in the retail sense of the word on the interbank market. Banks trade within credit limits they grant one another and exchange real currencies.

LIQUIDITY PROVIDERS

Liquidity providers (LPs) are firms that quote buy and sell prices, including to retail brokers. The largest of them are global investment banks — so-called **Tier 1** providers. Over the last decade non-bank market makers, i.e. algorithmic trading firms quoting prices within milliseconds, have also gained a huge role.

One level below are **Prime of Prime** (Tier 2) providers. They obtain liquidity from Tier 1 providers and "resell" it to smaller brokers. Their advantage is a low barrier to entry: they do not require huge capital or a lengthy onboarding process from the broker. They often act as market makers themselves and pass only part of the flow upstream.

In practice, better brokers use several providers at once and pick the best price in real time (aggregation). Just as common, however, is a model in which all orders go to a single provider — not infrequently a company linked to the broker. Bear in mind that a liquidity provider does not have to hedge trades on the interbank market. Many of them simply make markets for retail brokers.



Simplified structure of the Forex/CFD market. Dashed line: a Market Maker passes on only part of the orders.

CFDS — WHAT ARE YOU ACTUALLY BUYING?

There is a fundamental difference between the interbank market and the retail market. Banks exchange real currencies. An individual investor at a broker usually **does not buy currency** but enters into a contract for difference — a **CFD**.

A CFD is an agreement between you and the broker: if the price of the underlying instrument (a currency pair, index, commodity or share) moves in your favour, the broker pays you the difference; if it moves against you, you pay it to the broker. You do not become the owner of the asset. CFDs are over-the-counter, non-standardised instruments, so terms can differ widely between brokers, and they use leverage, which multiplies both profits and losses.

In practice, then, your trade does not go "to the currency market". It goes to the broker, who either becomes the other side of it or hedges it with a liquidity provider. Which of these the broker chooses matters a great deal to you — more on that shortly.

NO CENTRAL EXCHANGE — WHY THE BROKER HAS SO MUCH POWER

Because the market is decentralised, there is no single official price. It is like a market square: one stall charges price X, another price Y, and wholesale is cheaper than retail. The broker decides which prices and spreads it shows its clients, when it executes orders and on what terms.

In the European Union, the United Kingdom or Australia, however, brokers are closely supervised: they must apply a best execution policy, manage conflicts of interest and disclose their costs. With a broker that has no credible licence, everything depends on its goodwill. That is why choosing a broker matters so much — and why this guide devotes so much space to regulation.

A-BOOK, B-BOOK, HYBRID AND "TOXIC FLOW"

A-book and B-book describe how a broker "books" its clients' orders:

- **A-book** — the broker passes orders on to liquidity providers. It is not a party to the trade itself and earns a commission or a mark-up. This is the model of ECN/STP brokers.
- **B-book** — trades stay "inside" the broker, which becomes the other side. The client's loss is then the broker's profit. This is the typical Market Maker model.
- **Hybrid** — some orders stay with the broker, others go to providers. This is the most common model today.

A pure B-book is risky for the broker, because one large, correct move by its clients can cost it dearly. Hence the hybrid: the broker keeps the trades that will statistically lose money for clients and sends the orders of consistently profitable traders outside. A stream of such "winning" orders is called **toxic flow**. Liquidity providers dislike it too: they offer worse prices to brokers who send it, or reject some of the orders.

The internal book typically holds clients who:

- like high leverage,
- use their free margin to the maximum,
- deposit small amounts.

In other words — those who lose most often. The B-book model is not illegal in itself and does not mean fraud. It does, however, mean a conflict of interest that you need to be aware of.

CHAPTER 2

HOW BROKERS OPERATE

Understanding brokers' business models is a key part of choosing one. The model determines how the broker really makes money — and therefore whether its interests are aligned with yours. Remember that the name in an advertisement is one thing and practice is another. Many brokers combine several models.

MM — MARKET MAKER

This is one of the most common forms. A Market Maker quotes its own prices based on rates from the external market, but clients' orders often do not leave its books (B-book). In theory the broker can match clients' orders so that they offset each other; in practice it is often the other side of the trade itself. Most Market Makers today operate a hybrid model.

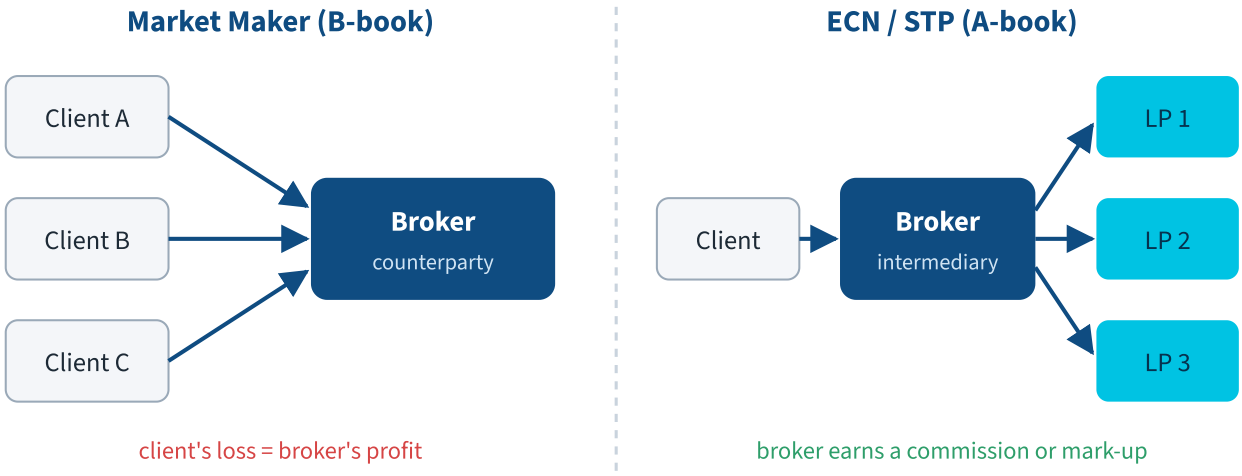
A Market Maker earns mainly on the spread, i.e. the difference between the buy and sell price, and on the result of the trades it is a party to.

DISADVANTAGES

The biggest drawback is the conflict of interest: if the broker is the other side of your trade, your loss is its gain. A Market Maker also has the tools to influence this — it controls prices, execution delays and requotes. There have been cases of brokers with entire departments persuading clients to take risky positions. That does not mean every Market Maker behaves this way. There are MMs with an excellent reputation, which is why with such a broker its licence, history and reviews matter especially.

ADVANTAGES

Market Makers are flexible: they offer small trade sizes (micro and nano lots), often fixed spreads that will not surprise a beginner during data releases, and low minimum deposits.



A Market Maker becomes the other side of its clients' trades. An ECN/STP broker passes orders to liquidity providers (LPs).

ECN — ELECTRONIC COMMUNICATION NETWORK

This model is seen as the opposite of the Market Maker. An ECN broker accepts orders and passes them to a network of liquidity providers. It takes their prices in real time, picks the best ones and shows them to the client. That is why spreads are variable and usually very low — often raw market spreads with no broker mark-up. The broker earns a **commission** based on volume, most often quoted per 1 lot and charged when opening and closing a position.

DISADVANTAGES

The commission and variable spreads, which can widen sharply around data releases or in thin markets and make setting SL/TP harder. Often a higher minimum deposit. With ECN brokers outside the EU (and other markets where it is mandatory) you may not have negative balance protection.

ADVANTAGES

Low total trading costs for active traders, no direct conflict of interest and prices resulting from competition between several providers.

STP — STRAIGHT THROUGH PROCESSING

An intermediate model. Orders also go to a liquidity provider, but usually to one or a few selected ones. An STP broker is not a party to the trade and earns either a commission (like ECN) or a mark-up added to the spread (like MM). Note: if the only liquidity provider is a company linked to the broker that itself acts as a Market Maker, STP becomes a "hidden" Market Maker in practice.

MTF — MULTILATERAL TRADING FACILITY

A multilateral trading facility is a regulated trading venue that works much like an exchange: it matches the orders of many participants in a transparent order book, with no possibility of rejecting an order after the fact (so-called *last look*). Pre- and post-trade transparency rules apply. MTFs are rare in retail currency trading, but if a broker gives you access to one, it is a good sign for transparency.

NDD — NO DEALING DESK

NDD is sometimes presented as a separate model, but it only describes how orders are executed. With a *dealing desk*, a dealer can intervene in execution: reject an order, offer a new price (a requote) or delay it. With NDD, execution is fully automated. NDD brokers are usually ECN/STP, but increasingly Market Makers also automate execution to build client trust.

DIFFERENT ACCOUNTS = DIFFERENT MODELS

The fact that a broker advertises itself as ECN does not mean all its accounts work that way. Typically there is a beginner account with a fixed spread and a low deposit (usually on a Market Maker basis) and a "raw" or "ECN" account with a low spread plus commission. So check the model of the **specific account**, not of the whole firm.

CFDS OR REAL SHARES AND ETFS?

Many brokers now offer real shares and exchange-traded funds (ETFs) alongside CFDs. These are two different products:

FEATURE	SHARES / ETFS	CFDS ON SHARES / ETFS
Ownership	yes, you own them	no, you hold a contract with the broker
Leverage	usually none	yes (up to 5:1 for retail clients)
Holding cost	none (apart from any custody fee)	daily swap
Short selling	usually not available	available
Best for	long-term investing	short-term speculation

If you plan to hold shares for years, CFDs are usually not the best choice — swaps eat into the result over time.

CHAPTER 3

REGULATION AND LICENCES

When choosing a broker, look not only at its trading conditions but also at the conditions under which it operates. Jurisdiction and licences matter as much as spreads, commissions or the business model — they determine what happens to your money if something goes wrong.

Every broker should hold a licence from the supervisory authority of the country where the company serving you is registered: CySEC in Cyprus, BaFin in Germany, AMF in France, KNF in Poland, FCA in the United Kingdom and so on. Regulators differ in their requirements, and the licence determines, among other things, which compensation scheme protects you.

THE EUROPEAN PASSPORT AND THE ROLE OF ESMA

The **MiFID II** directive (in force since 2018) sets common rules for investment firms across the European Economic Area. Thanks to it, a broker licensed in one EU country can provide services in the others under the so-called **European passport** — through a branch or cross-border. Consistency of supervision across the Union is overseen by **ESMA** (the European Securities and Markets Authority), which coordinates the work of national supervisors.

> A broker appearing in your national regulator's register as a firm from another EU country **does not mean** it holds a licence from that regulator. Its main supervisor remains the regulator of the country where it is licensed, and it is that country's compensation scheme that protects you.

PROTECTIONS FOR RETAIL CLIENTS

In 2018 ESMA introduced a temporary product intervention that transformed the CFD market in Europe. In 2019 national supervisors — including CySEC, BaFin, AMF and KNF — adopted these rules as permanent measures. They apply to all brokers in the EU dealing with retail clients:

- a **ban** on selling binary options to retail clients,
- **leverage limits** when opening positions (see the table below),
- **margin close-out at 50%**: when the funds in the account fall to half of the required margin, the broker closes positions,
- **negative balance protection**: you cannot lose more than you have in the account,
- a **ban on incentives**: bonuses, gifts and other benefits for opening an account or trading,
- a **standardised risk warning** stating the percentage of the broker's retail accounts that lose money, recalculated every quarter.

UNDERLYING	MAX. LEVERAGE	MARGIN REQUIRED
Major currency pairs	30:1	3.33%
Other pairs, gold, major indices	20:1	5%
Commodities other than gold, other indices	10:1	10%
Shares and other instruments	5:1	20%
Cryptocurrencies	2:1	50%

> **Tip:** the percentage of losing accounts in the risk warning is one of the few hard numbers every EU broker must publish. Compare it across several firms — it does not tell you everything, but it shows how a broker's clients fare.

Similar rules have been adopted by the United Kingdom (FCA) and Australia (ASIC), among others. Some clients, wanting to get around the limits, open accounts with brokers in exotic jurisdictions — giving up all the protection described above.

PROFESSIONAL CLIENTS

The restrictions apply only to retail clients. Experienced traders can apply for **professional client** status if they meet at least two of three conditions:

- over the last four quarters they carried out, on average, at least 10 transactions of significant size per quarter on the relevant market,
- their portfolio of financial instruments, including cash, exceeds EUR 500,000,
- they have worked in the financial sector for at least one year in a position requiring knowledge of the transactions concerned.

A professional client gets higher leverage but **loses part of the protection**: negative balance protection is no longer mandatory, and compensation schemes (such as Cyprus's ICF) cover retail clients only. Consider whether higher leverage is worth it. You can read more in our guide How to become a professional client.

CYSEC — CYPRUS

The Cyprus Securities and Exchange Commission is the most popular regulator of CFD brokers in Europe: many large brokers have their main EU company in Cyprus and serve the whole Union from it. In the past CySEC had several high-profile problems with firms it supervised, but after each it tightened the rules. Today it imposes fines and regularly publishes its decisions on its website.

- **Minimum capital** (since 2021, under the EU IFR/IFD rules): EUR 750,000 for a firm dealing on its own account (a Market Maker), EUR 150,000 for a firm holding client money, EUR 75,000 in other cases. The previous edition quoted EUR 125,000 — that figure is out of date.

- **Investor Compensation Fund (ICF)**: 90% of the claim, up to EUR 20,000 per retail client.

FCA — UNITED KINGDOM

The UK Financial Conduct Authority is one of the most credible regulators: strong supervision, high standards and many firms with a long track record. Since 1 January 2021 the United Kingdom has not been part of the EU, so British brokers **no longer have the European passport**. They usually serve EU clients through their EU subsidiaries (for example in Cyprus or Ireland) — and for an EU client it is that subsidiary's licence that matters.

- **Minimum capital** (UK IFPR, since 2022): GBP 75,000, 150,000 or 750,000, depending on the scope of activity.
- **Financial Services Compensation Scheme (FSCS)**: up to GBP 85,000 per person per firm (for firms that failed after 1 April 2019; previously GBP 50,000).
- The FCA has adopted its own permanent CFD restrictions, similar to the EU ones.

> **Beware of "clones".** Fraudsters impersonate FCA-authorised brokers, copying their name, registration number and website design. The FCA publishes warnings about such clone firms. Always compare the website address and contact details with those in the official register.

BAFIN, AMF, CONSOB, KNF AND OTHER EU SUPERVISORS

Every EU country has its own supervisor: Germany's BaFin, France's AMF, Italy's CONSOB, the Central Bank of Ireland, Luxembourg's CSSF, Poland's KNF and others. A licence from any of them gives a passport to the whole EU and means the same basic rules (MiFID II, retail client restrictions). The differences lie mainly in the compensation scheme and supervisory practice. After Brexit, a number of large brokers moved their EU business to Ireland, Germany or Luxembourg. Many supervisors also publish lists of unauthorised firms — France's AMF, for instance, keeps blacklists of websites offering investments without authorisation.

ASIC — AUSTRALIA

The Australian Securities and Investments Commission is another well-regarded regulator. Brokers operate under an AFS (*Australian Financial Services*) licence. Since 29 March 2021 ASIC's product intervention order has applied in Australia: leverage limits for retail clients (30:1 on major pairs), margin close-out at 50% and negative balance protection. In 2022 it was extended to 23 May 2027.

Australian entities usually serve Australian clients, while many broker groups onboard clients from other countries through companies registered in offshore jurisdictions. Note also that Australia has no compensation fund for CFD broker clients comparable to the ICF or FSCS.

CFTC/NFA — UNITED STATES

The United States has some of the strictest rules in the world. Retail clients may trade currencies only with firms registered with the Commodity Futures Trading Commission (CFTC) and members of the National Futures Association (NFA), with leverage of up to 50:1 on major pairs. CFDs are not available to retail clients in the US. As

a result, only a handful of brokers serve the US market.

OFFSHORE JURISDICTIONS

Licences from tax havens and distant islands — such as Vanuatu (VFSC), the Seychelles (FSA), Mauritius (FSC), Belize (FSC), the Bahamas (SCB), Saint Vincent and the Grenadines or the Comoros — should ring alarm bells. Why?

- capital requirements and supervision are much lighter and a licence can be obtained quickly,
- EU leverage limits and mandatory negative balance protection do not apply,
- there is usually no compensation scheme,
- it is easy to set up a shell company there, and local authorities are reluctant to cooperate with foreign prosecutors.

Saint Vincent and the Grenadines is a special case: its supervisor states plainly that it **does not license** Forex brokers. A company registration in St Vincent is therefore not a licence at all.

A broker with an offshore licence is not necessarily a fraud. Many reputable groups have offshore entities to serve clients outside the EU. But if you live in the EU and a broker urges you to move to its offshore entity "for higher leverage", you are giving up EU protection. A non-EU firm that actively solicits EU clients (ads, phone calls) without an EU authorisation is also breaking the law.

CRYPTO: MICA

Crypto is a separate regulatory world. A CFD on bitcoin is a financial instrument covered by MiFID II (retail leverage up to 2:1). Buying real bitcoin on a crypto exchange is a crypto-asset service covered by the EU's **MiCA** regulation.

Since 30 December 2024, crypto-asset service providers (CASPs) have needed an authorisation from an EU member state which — as with brokers — works as a passport for the whole Union. Transitional periods ended on **1 July 2026** at the latest, with no possibility of extension. A platform serving EU clients today without a MiCA authorisation is operating illegally. ESMA publishes the list of authorised firms in its MiCA register.

HOW TO CHECK A LICENCE IN FIVE MINUTES

1. **Find the full company name and licence number** — usually in the website footer or the terms and conditions. Missing details are a warning sign.
2. **Look the company up in the regulator's register**, typing the regulator's official website address yourself rather than using a link from the broker. EU investment firms can also be found in ESMA's register.
3. **Compare the domain, address and phone number** with the register. Clones usually differ in exactly these details.
4. **Establish which group company will serve you**. Large groups have several companies with different licences, and your contract is with one of them.

5. **Check warning lists** — those of your national regulator and other supervisors, and the ForexRev warning list.

Detailed instructions for individual regulators can be found in our guide How to verify a broker's licence.

CHAPTER 4

KEEPING YOUR MONEY SAFE

SEGREGATION OF CLIENT FUNDS

Segregation means keeping clients' money separate from the broker's own money: client funds sit in separate accounts and do not form part of the insolvency estate if the broker goes bankrupt. In the EU, the United Kingdom and Australia segregation is mandatory. In offshore jurisdictions practice varies.

CUSTODIAN BANK

A broker keeps client funds in banks. It is worth knowing which ones — a large, well-known bank adds security. Problems at the bank holding the funds can also affect the broker's clients, and the rules for recovering money then depend on the law of the country concerned.

NEGATIVE BALANCE PROTECTION

A guarantee that your account balance cannot fall below zero — in other words, that you cannot end up owing the broker money. A negative balance can arise during violent price moves, when a stop loss is executed at a price far worse than the one set. The most famous example is 15 January 2015, when the Swiss National Bank unexpectedly stopped defending the franc's exchange rate: some traders lost far more than they had in their accounts, and some brokers went under.

Today, negative balance protection is **mandatory for retail clients** in the EU, the United Kingdom and Australia. With offshore brokers and for professional clients — not always. Check the terms and conditions.

COMPENSATION SCHEMES

If a broker goes bankrupt and client money is missing, part of the loss is covered by the compensation scheme of the licensing country. It does not protect against investment losses — it applies only when the broker cannot return your money. The limits below (as of October 2026) apply to retail clients and may change, so check them on the scheme's website before making a decision.

LICENSING COUNTRY	SCHEME	LIMIT PER CLIENT
Cyprus (CySEC)	Investor Compensation Fund	90% of the claim, max. EUR 20,000
United Kingdom (FCA)	FSCS	up to GBP 85,000
Poland (KNF)	KDPW compensation scheme	100% up to EUR 3,000 + 90% of the excess, max. EUR 22,000
other EU countries	national schemes	at least EUR 20,000 (EU minimum)
Australia (ASIC)	—	no fund for CFD broker clients
Offshore	—	usually none

CHAPTER 5

TRADING COSTS

Costs are usually the first thing a trader compares. Rightly so, because for active traders they decide the result. Remember, though, that it is sometimes worth paying a little more for a broker's reliability and honesty. The lowest spread in the world will not help if you cannot withdraw your money.

SPREAD

The difference between the buy (ask) and sell (bid) price. You pay it on every trade, even if the broker advertises "commission-free trading". The spread can be:

- **fixed** — predictable and convenient for beginners, but usually higher, and it can change in extreme situations too,
- **variable** — low in calm markets, but it can widen several times over during data releases, at the weekly open or when liquidity is thin.

Look at the **typical** or average spread, not the advertised "from 0.0 pips".

COMMISSION

On ECN/"raw" accounts you pay a commission based on volume, usually quoted per 1 lot and per side (opening or closing). To compare offers, calculate the **total cost**: the spread plus the commission for a full round turn (opening and closing).

EXAMPLE: 1 LOT OF EUR/USD

Account A: 1.2-pip spread, no commission → cost 1.2 × USD 10 = **USD 12**.
Account B: 0.2-pip spread + USD 3.5 commission per side → USD 2 + USD 7 = **USD 9**.

"No commission" does not always mean cheaper.

SWAPS

An often overlooked cost is **swap points**, i.e. the charge (or, less often, the credit) for holding a position overnight. They reflect the interest rate difference between the two currencies of a pair or the cost of financing and storing commodities. They vary widely between brokers: sometimes high, sometimes negligible. For most currency pairs a triple swap (covering the weekend) is charged on Wednesday night. They are not called the "silent profit killer" for nothing — on positions held for weeks they can exceed all other costs combined. Some brokers offer swap-free accounts, but they usually charge other fees instead.

NON-TRADING FEES

- **currency conversion** — when an instrument is denominated in a different currency from your account; the margin on each trade can be significant,
- **inactivity fee** — charged after several months without trading,
- **deposit and withdrawal fees** — especially for cards, e-wallets and international transfers,
- **market data and platforms** — some platforms or live quotes are paid for.

An EU broker must disclose all costs before you trade and provide a key information document (KID) for CFDs. You will usually find the fee schedule on the broker's website under "Fees" or "Legal documents".

CHAPTER 6

ACCOUNT, DEPOSITS AND TAXES

ACCOUNT CURRENCY

You will ultimately convert any profits into the currency you spend every day. If your account is held in US dollars and the dollar weakens against your home currency between deposit and withdrawal, the real value of your account falls — even if your trading was profitable. The reverse can happen as well. An account in a foreign currency is simply an additional currency risk, which you should either accept consciously or avoid by choosing an account in your home currency.

DEPOSITS AND WITHDRAWALS

Check whether the broker offers free deposit methods in your currency (a local bank transfer, card, e-wallet). **Withdrawals** are even more important: how long they take, whether they cost anything, whether there are limits. Because of anti-money-laundering rules, withdrawals usually go back the same way the deposit came in, and the first withdrawal may require additional verification. That is normal. What is not normal is being asked for a "fee", "tax" or "verification deposit" before a withdrawal — that is a classic element of fraud (chapter 9).

TAXES

Tax rules for CFD and Forex trading differ from country to country, so check your local rules or ask a tax adviser. A few things are worth knowing in advance:

- **A domestic broker** often provides an annual tax statement, which makes your return easier.
- **A foreign broker** usually does not. You will need the full transaction history and, in many countries, must convert each result into your home currency at an official exchange rate. With hundreds of trades this is a lot of work.
- Some countries require you to **declare accounts held abroad** — in France, for example, an account with a foreign broker must be reported to the tax authority.
- Product type can matter: in the United Kingdom, for instance, profits from spread betting are generally free of Capital Gains Tax, while CFD profits are not.

Our Forex calculators will help you calculate pip value, margin and profit.

CHAPTER 7

PLATFORM, PRODUCT RANGE AND SERVICE

TRADING PLATFORMS

Every broker provides specific platforms. The most popular independent ones are **MetaTrader 5** (the successor to MetaTrader 4, which is still in use, though the developer focuses on version 5) and **cTrader**. More and more brokers also integrate with **TradingView**, and many have their own web and mobile platforms, which are sometimes more convenient than the standard ones. If you use particular tools — indicators, expert advisors, scripts — make sure the broker supports your platform and that it is available on the account type you choose.

AVAILABLE INSTRUMENTS

Product ranges vary enormously: from a few dozen currency pairs to thousands of CFDs on shares, ETFs, commodities, bonds and cryptocurrencies. Check that the broker offers the instruments you want to trade, especially exotic pairs or unusual contracts, and on which accounts and platforms they are available, during which hours and with what leverage.

ORDER EXECUTION, SLIPPAGE AND REQUOTES

Execution speed is crucial for scalpers, for whom a fraction of a second decides the outcome. Many brokers publish execution statistics: average speed and the share of orders with positive and negative slippage. If they do not, ask customer support.

Slippage is a natural phenomenon: when the price jumps, an order is filled at the first available price. It happens most often around important data releases, central bank decisions and extraordinary events, and it can work for or against you. The problem begins when slippage happens frequently in calm markets, or almost always against you.

A **requote** is the broker asking you to accept a new price before executing an order. It occurs mainly with instant execution, typical of Market Makers. Frequent requotes are a sign that the broker deserves a closer look.

VPS AND AUTOMATED TRADING

A VPS is a virtual server on which your trading robots (e.g. Expert Advisors) can run around the clock, close to the broker's servers. If you trade algorithmically, check whether the broker offers a VPS — often free above a certain volume — and whether it allows automated trading and scalping, and what limits it places on the number of orders.

RESEARCH AND EDUCATION

Some brokers run extensive research and education centres: market commentary, economic calendars, webinars. Good material can replace paid services. Remember, though, that it is produced by a firm that earns from your activity, so treat it as one of many sources, not as a recommendation.

"ACCOUNT MANAGERS" AND ADVICE

Notice whether the broker's staff suggest which trades to make. Investment advice requires proper authorisation. If an "account manager" does not have it and still urges you to take particular positions, that is a bad sign. If the advice leads mainly to as much turnover as possible (more spreads and commissions) or to ever larger and riskier positions — that is a very clear warning sign.

SUPPORT IN YOUR LANGUAGE

Many people underestimate this, but you are entrusting the broker with your money and need to understand what happens to it. Notices about changes to trading conditions — for example reduced leverage before holidays or elections — can directly affect your positions. If you are not confident with financial terminology in a foreign language, support and documents in your own language have real value.

REPUTATION AND REVIEWS

Other traders' reviews are often the first source of warning signs — especially about withdrawals. Brokers know this well: some publish flattering reviews of themselves and badmouth competitors. So:

- look for specifics (amounts, dates, a description of what happened) rather than general praise or complaints,
- check the author's profile: an account created a week ago with a single post is a reason for caution,
- look for recurring patterns, such as many independent complaints about blocked withdrawals,
- check whether the regulator has fined the broker — most supervisors publish their decisions online.

At ForexRev.com every review is moderated before publication, and we reject posts that look like advertising or paid reviews.

CHAPTER 8

RED FLAGS

Some features of a broker should put you on alert immediately. One of them does not always mean fraud, but several at once almost always do.

- **No licence**, or a licence that cannot be found in the regulator's register. This disqualifies the broker.
- **An exotic jurisdiction** with no other credible licence in the group.
- **No company details** in the footer and terms, or details that do not match the register (a possible clone).
- **Unsolicited calls and messages** about an "exceptional opportunity", especially after clicking an ad on social media.
- **Guaranteed profit** or a promise of "no risk". It does not exist in the CFD market.
- **Deposit bonuses** — banned for retail clients in the EU, so offering them means the broker operates outside EU rules.
- **Time pressure**: "today only", "you must top up or you will lose your position".
- **A request to install remote desktop software** (AnyDesk, TeamViewer, etc.).
- **Deposits only in crypto** or to accounts of private individuals and companies unrelated to the broker.
- **Problems withdrawing money**, including a demand for a fee, "tax" or deposit before a withdrawal.
- **Fines from regulators** and recurring complaints from other clients.

CHAPTER 9

INVESTMENT SCAMS — 2026 PATTERNS

Fake investments are now one of the most common ways of stealing money across Europe. Regulators and cybersecurity teams have tens of thousands of scam ads and fraudulent websites taken down every year. The schemes change quickly, but their core stays the same: trust, emotion and time pressure.

DEEPFAKE ADS

Social media is full of ads in which well-known politicians, athletes, journalists or company CEOs "recommend" an investment platform. The video and voice are generated by artificial intelligence. After clicking, you land on a page posing as a news site, leave your phone number — and an "adviser" calls. **No well-known person recommends investments in a Facebook ad.** Report such ads to the platform and to your national cybersecurity or fraud reporting centre.

REMOTE DESKTOP SOFTWARE

The "adviser" asks you to install AnyDesk, TeamViewer or a similar program "to help open your account" or "to set up the platform". From that moment they see everything you see and can take control of your computer or phone: log in to your bank, order transfers, even take out a loan in your name. **Never install remote access software at the request of someone who calls you about investments.**

FAKE PLATFORMS AND THE "TAX BEFORE WITHDRAWAL"

The victim deposits a small amount and sees rapidly growing profits on a professional-looking platform. These are just numbers on a screen — the money goes straight to the fraudsters. They often allow a small withdrawal to build trust, then push for ever larger deposits, frequently funded by loans. When the victim tries to withdraw a larger sum, a "tax", "currency conversion fee" or "verification deposit" suddenly appears. Every further payment is lost.

MESSENGER GROUPS AND "INVESTMENT ROMANCE"

"Investment clubs" on WhatsApp and Telegram with a "mentor" and enthusiastic members (often planted), and online acquaintances who after weeks of conversation move on to "let me show you how I make money". Both end with a fake platform.

FAKE "FUND RECOVERY"

Victims of fraud often get a second call: from a "law firm", a "debt recovery company", the "police" or even someone claiming to work for a financial regulator, promising to recover the lost money. The condition: an upfront fee. These are the same or similar criminals. Genuine institutions do not charge fees to recover money and do not cold-call with such offers.

OLD TRICKS OF DISHONEST BROKERS

Some long-known methods are still in use, especially among brokers from poorly supervised jurisdictions:

- **"IPOs" and "opportunities"** — a call in the style of a Wall Street film, with trading-floor noise in the background: "I have a great opportunity for you". Guaranteed profit, no specifics, pressure.
- **Retention departments** — "advisers" urging frequent opening and closing of positions (more spreads and commissions) or large, risky trades, especially when a client starts making money. They are trained in sales techniques rather than trading.
- **Stop-loss hunting** — artificially widening the spread or "pushing" the price near your protective order. Before accusing a broker, compare quotes at two or three other firms, since large orders in the market can have a similar effect.
- **Fake slippage** — slippage that almost always works against you while positive slippage hardly ever happens. With an honest broker it is spread roughly evenly.

WHAT TO DO IF YOU HAVE BEEN SCAMMED

1. **Contact your bank immediately** — block your card and online banking access and ask them to try to stop the transfers.
2. **Uninstall any remote access software** and change your passwords from another, secure device.
3. **Report the matter to the police.** Keep all correspondence, transfer confirmations and phone numbers.
4. **Notify your financial regulator** and your national cybercrime or fraud reporting service (for example Action Fraud in the UK, cybermalveillance.gouv.fr in France or CERT Polska in Poland).
5. **Do not pay anyone to "recover" your money.**

CHAPTER 10

PROP FIRMS AND COPY TRADING

PROP FIRMS (PROPRIETARY TRADING)

In recent years firms offering to "fund" traders have become hugely popular: you pay for a challenge, trade on a demo account under strict rules and, if you pass, receive a share of the profits from a "funded account". Keep in mind that:

- a prop firm **is not a broker** and usually has no financial licence. Retail client protection and compensation schemes do not apply,
- for many firms the main source of revenue is challenge fees, not the profits of skilled traders,
- terms can be extensive and allow payouts to be refused for breaching little-noticed rules,
- some firms in this industry have closed or suspended payouts, often overnight.

If you use prop firms, treat the challenge fee as a cost you may lose, and read the payout rules carefully before buying.

COPY TRADING AND SIGNALS

Copying other traders' trades is a convenient way to trade, but past results do not guarantee future ones, and "top trader" rankings often change every few weeks. Check who runs the platform and whether it is licensed, what the fees are (profit share, spread), what drawdowns the copied trader has had and whether you can stop copying at any time. Paid Telegram signals promising steady profits are best avoided.

CHAPTER 11

HOW TO CHOOSE THE BEST BROKER FOR YOU

There is no broker that is best for everyone. The choice depends above all on your experience and trading style. Treat the tables below as guidance, not gospel.

BY EXPERIENCE

CRITERION	BEGINNER	ADVANCED
Minimum deposit	low	of little importance
Spread	fixed or predictable	variable, as low as possible + commission
Position size	micro and nano lots	irrelevant
Negative balance protection	essential	recommended
Support in your language	yes	depends on language skills
Demo account and education	very important	for testing strategies

Deposit — start with amounts whose loss will not hurt your budget. **Spread** — beginners often do not know when and why spreads widen, so predictability matters more to them than the lowest price. **Position size** — a micro lot (0.01) lets you open a position with a small deposit without committing most of your funds. **Negative balance protection** — leverage and volatility are not only an opportunity but above all a risk.

BY TIME HORIZON

CRITERION	DAY TRADING / SCALPING	MULTI-DAY POSITIONS
Spread and commission	crucial	less important
Swaps	irrelevant	crucial
Execution speed	crucial	of little importance
Order limits, scalping allowed	must check	irrelevant
Contract rollover	irrelevant	check dates and costs

A day trader pays the spread and commission many times a day, so they decide the result. Some brokers limit the number of orders in a short time or do not allow scalping. A long-term trader, on the other hand, pays swaps for every night and, on CFDs based on futures (e.g. oil), rollover costs too.

BY STYLE

- **Automated trading**: VPS, a stable API or MetaTrader/cTrader, no restrictions on robots, low latency.
- **Investing for years**: consider real shares and ETFs instead of CFDs (chapter 2).
- **News trading**: how spreads and slippage behave during data releases — test it with a small position.

CHAPTER 12

CHECKLIST BEFORE OPENING AN ACCOUNT

Print this page and tick off each point for the broker you are considering.

- [ ] I know the full name of the company I will contract with and its licence number.
- [ ] The company appears in the regulator's register, and the domain and contact details match it.
- [ ] The broker is not on the warning lists of my regulator or other supervisors.
- [ ] I know which compensation scheme protects me and up to what amount.
- [ ] Client funds are segregated and the account has negative balance protection.
- [ ] I know the execution model of my account (MM / STP / ECN).
- [ ] I know the total cost (spread + commission) for the instruments I trade.
- [ ] I know the swaps and the fees for currency conversion, inactivity and withdrawals.
- [ ] I know the percentage of the broker's retail accounts that lose money.
- [ ] I know the account currency and how I will deposit and withdraw money.
- [ ] I know how I will report my results for tax purposes.
- [ ] The platform and instruments I need are available on the chosen account.
- [ ] I know other clients' reviews, especially regarding withdrawals.
- [ ] Nobody pressured me by phone or messenger, and nobody asked for remote access.
- [ ] I have a plan: demo account first, then a small deposit and a test withdrawal, and only then larger amounts.

CHAPTER 13

FINAL TIPS

There is a lot of information in this guide, but in practice choosing a broker comes down to three steps: define the conditions you need, find brokers that offer them, and check them against the features described here — above all the licence and the safety of your funds. Your choice should not be influenced by contest prizes or temporary promotions. Especially if you approach trading for the long term, reliability is what counts most.

ForexRev.com can help you choose:

- **reviews of 61 Forex/CFD brokers** in three languages, with editorial ratings and user reviews — Forex broker ranking,
- broker lists by model: Market Maker, ECN, STP and NDD,
- a warning list of dishonest firms, updated from financial regulators' announcements,
- Forex calculators — pip value, margin and profit,
- daily market news and regulators' announcements.

Good luck — and trade wisely.

ForexRev

Broker reviews, trader opinions, warning list and calculators:

forexrev.com

Risk warning. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Most retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Do not invest money you cannot afford to lose.