

# Template: Broker Compliance Evaluation Checklist

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Based on Article: "Understanding Regulation: Why Broker Compliance Matters"

Website: <https://thetraderinyou.com>

A practical checklist for evaluating Forex brokers' compliance to ensure safety and trustworthy trading.

## Checklist Items:

### 1. Verify Regulatory Compliance

Check if the broker is licensed by a recognized regulatory authority such as FCA, ASIC, or CFTC. This ensures oversight and adherence to regulations.

Reference Section: How to evaluate a broker's compliance before opening an account

### 2. Assess Fund Safety

Ensure the broker segregates client funds from their operating cash. This protects your funds from being misused by the broker.

Reference Section: How broker compliance protects traders in practice

### 3. Confirm Minimum Capital Requirements

Look for brokers that meet minimum capital requirements which indicate they are financially stable and can withstand market volatility.

Reference Section: How broker compliance protects traders in practice

### 4. Evaluate Order Execution Oversight

Check if the broker has mechanisms in place to oversee order execution quality. Look for issues like frequent re-quotes or unjustifiable slippage.

Reference Section: Compliance controls traders should watch

### 5. Understand Negative Balance Protection

Only choose brokers that offer negative balance protection to ensure you don't owe more than your initial investment, preventing debt from trading mistakes.

Reference Section: Compliance controls traders should watch

### 6. Review Complaint Handling Process

Make sure the broker has a formal process for handling complaints, which indicates they are serious about customer service and dispute resolution.

Reference Section: Compliance controls traders should watch

### 7. Investigate Transparency in Pricing

Check for clear information on spreads and transaction costs. Regulated brokers provide transparent pricing without hidden fees.

Reference Section: Why traders should care about broker regulation from day one

### 8. Analyze Past Compliance Records

Research any past compliance issues or regulatory penalties faced by the broker to gauge their reputation and reliability.

Reference Section: How broker compliance protects traders in practice