

ForexCFDs Client Qualification Policy

ForexCFDs operates a client qualification policy which is intended to ensure that new clients are adequately qualified to trade in Contracts for Difference (CFDs).

Trading CFDs and FX isn't suitable for everyone and may result in you losing the funds deposited in your account. For regulatory reasons, we're required to assess that you have sufficient knowledge of CFDs and FX trading before opening your account.

The qualification test is conducted on a web page and consists of twelve multiple choice questions from the following categories:

1. Previous experience in investing in financial products including securities and derivatives;
2. Understanding of the concepts of leverage, margins and volatility;
3. Understanding of the nature of CFD trading, including CFDs do not provide any rights or interests to the underlying asset the CFD quotes;
4. Understanding of the processes and technologies used in trading including the purpose of a Stop Loss; and
5. Preparedness to monitor your account and manage the risks of trading.

ForexCFDs requires clients to correctly answer at least nine of the twelve questions for a 75% pass rate.

If clients pass, they are deemed sufficiently qualified to trade in CFDs and their accounts are then enabled for trading. If clients do not pass, they are advised to open a demo account to gain a better understanding of trading CFDs.

If clients do not qualify due to lack of experience, they are directed to the demo platform where they have to place at least five opening trades before they are deemed to have sufficiently increased their experience to be reassessed with another set of twelve multiple choice questions.