

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). All new clients are assessed and have to pass a qualification test before they are enabled for trading. The test is designed to assess the understanding of and experience of potential clients in trading CFDs.

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

1. Previous experience in investing in derivatives
2. Understanding of the concepts of leverage, margins and volatility
3. Understanding of the nature of CFD trading
4. Understanding of the processes and technologies used in trading
5. Preparedness to monitor and manage the risks of trading

ForexCFDs holds a database of suitable questions for each category from which the ten qualification test questions are selected. ForexCFDs periodically alter the ten test questions.

ForexCFDs requires clients to correctly answer at least one question from each category and at least seven questions in total to pass. 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 the product in the virtual environment.

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 ten multiple choice questions.