

Most regulated brokers in South Africa

Issued by [ForexBrokerz](#)

24 May 2022

South Africa is a growing forex trading market. According to some estimations, there are over 200,000 traders in the country, and they deposit an average of around \$1000 with their brokers. There is no bigger market for Forex on the continent, and due to the policies of the FSCA, the regulatory body in the country, brokers from all over the world offer their services to South African clients.



If you are one of these clients, it could be slightly overwhelming to pick a broker. Not only are there a lot of licensed firms that will compete for your attention, but there are also a lot of scammers to avoid. It is important to stick to licensed brokers – and in this article we have listed the top 5 most regulated firms in the country to go for. Before we outline them, however, a quick introduction of the regulatory framework of the country is in order:

The regulatory regime in South Africa

The markets in the country are overseen by a regulatory body called the Financial Sector Conduct Authority ([FSCA](#)). This regulator is not particularly strict, at least when compared to its counterparts in Europe, the UK and the States. It does not really set any formal requirements for a broker, except for the company to get on the register the FSCA operates online. This register still manages to make it so in the case of a broker running a scam, you know who to litigate against – but there are a lot of protections that are not available to clients of brokers licensed by the regulator alone.

For example, the brokers in the jurisdictions we mentioned are required to come up with a certain minimum capital to be allowed to operate on the markets – this amount is different between jurisdictions, with the EU and UK demanding at least €730,000 in liquid funds, and the States requiring much more – \$20m, to issue a license to a broker. The purpose of each of these high requirements is the same, however. They aim to ensure brokers have the necessary liquidity to actually meet their costs and stay afloat on the competitive markets. Brokers in South Africa that do not have licenses with these other regulators are not bound by the same rules – there is no guarantee these firms have the stability required to keep providing you with their services!

Of course, the lax regulatory approach also has some advantages over the strict regimes of other jurisdictions. For example, the maximum leverage allowed in the EU and the UK is up to 1:30 for FX majors. In the States, that amount is up to 1:50 for the asset class. It is reasonable to restrict leverage, as it can be dangerous to the retail client. At the same time,

if you know how to handle the increased risk, you can trade with a broker in South Africa, which is not bound to restrict its available leverage. The same can be said for bonuses – they are banned in most strict jurisdictions, but [brokers in South Africa](#) are free to grant them to clients.

Overall, there are certainly some pluses and minuses to a lax regulation. Fortunately for clients from South Africa, the FSCA allows them to trade with brokers licensed in other jurisdictions. This allows the world's leading brokers to offer their services on the market. These companies are already licensed, sometimes in multiple jurisdictions, making them safe from default and reducing the probability of them being a scam to zero. Here are the five most licensed brokers in South Africa, ordered by the number of licenses they have acquired:

The top 5 most regulated brokers in the country

FXTM

The first broker we would like to present is FXTM. The company is licensed in four jurisdictions – the EU, the UK, Mauritius and, most importantly, South Africa. FXTM being licensed within the country means the broker's finger is on the pulse of its financial markets. As far as trading conditions go, the company is excellent – it takes a small minimum deposit of \$50 to open an account. Said account can make use of a high leverage of up to 1:2000 and receive a number of attractive bonuses. For example, the client who has opened a FXTM account can qualify for a series of Forex trading contests with attractive prizes. The broker offers access to the Metatrader 4 and 5 platforms, which is the best trading software currently on the market. Overall, your money is in good hands with FXTM!

FBS

The second broker in our list is FBS – once again, the broker holds four licenses. The company has an EU license due to its office in Cyprus. It also has a license by the Australian ASIC, as well as with an offshore regulator – the IFSC Belize. Finally, the company is once again licensed by the FSCA as well. The broker offers access to an even higher leverage than FXTM – up to 1:3000. The minimum deposit with it is as low as \$1, which is very attractive to clients who are looking to get their feet in the water and trade without significant risk. Once again, the broker offers access to the Metatrader platforms, as well as a trading app for Android devices, called FBS trader.

FXCM

FXCM claims the third spot in our ranking with four licenses. The company is regulated by the regulators of the UK, Cyprus, Australia and South Africa. Its clients can open an account at the low cost of \$50 and make use of a leverage as high as 1:400. The broker offers access to the Metatrader 4 as well as a surprisingly comprehensive web-based platform. Copy trading is available on the web platform as well.

HFM

Fourthly, HFM is a broker licensed in five jurisdictions. These are the EU, the UK, the United Arab Emirates, South Africa and Kenya. The company has a lot to offer to its clients – there is the access to an account for just ZAR70 – around \$5, available especially to clients from South Africa. There is also the attractive leverage of up to 1:1000 they can make use of. This leverage can be utilised on the two Metatrader platforms. The broker also offers access to copy trading, available on its dedicated platform. Clients of the firm can also make use of several very attractive bonuses, like a 100% deposit bonus.

Saxo Bank

Lastly, Saxo Bank is the most licensed broker that operates on the South African market. The company has a license in over 10 different jurisdictions – it is licensed in Denmark, France, Japan, the UAE, the UK, Turkey, Hong Kong, Singapore, Switzerland, Australia and South Africa. This staggering amount of licenses is due to the fact the company is an actual bank that also operates as a Forex broker. This means Saxo Bank is a bit more specific than the other brokers in the list and might not be the best choice for every trader. The company has a high minimum deposit of \$10 000. It is also a

fundamentally different kind of broker from the rest of the companies – it is a Market Maker, while the other firms provide STP and ECN services. Despite this, if you are after the most licensed broker in the country, that is Saxo Bank!

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