

# Due-Diligence Checklist — Before Funding a Forex Account

## Legal entity and licence

Confirm the broker's full corporate name, registration/RC number and the exact legal entity that will contract with you. Capture a screenshot of the company registration record or certificate.

## Regulator register verification

Locate and screenshot the broker on the regulator's public register (CMA for Kenya or the broker's home regulator). Record licence number, status and any enforcement flags.

## Client funds / custody arrangements

Obtain the written client-money policy. Note custodian bank name, account type, and whether funds are segregated. Save any banker or custodian contact details.

## Deposit and withdrawal rails (concrete instructions)

Get step-by-step deposit and withdrawal instructions for the Kenyan rails you'll use (M-Pesa, local bank transfer, card). Record receiving entity, reference format, fees and timelines.

## Live micro deposit + withdrawal test (do this first)

Fund a small live deposit using the exact route you plan to use. Wait to settle, then withdraw a small sum to the same source. Save all confirmations and time the round trip.

## Contract terms, T&Cs and dispute route

Download the account agreement and find the withdrawal, fee, margin call and complaint sections. Note the legal jurisdiction and the formal complaint/ombudsman route.

## Product scope and prohibited items

Confirm the products offered are allowed for Kenyan retail clients (no retail binary options; CMA rules apply). Get margin schedules in writing.

## Pricing, spreads, commission and overnight financing

Request explicit spread examples for pairs you'll trade, per-lot commission schedule, and the overnight/rollover swap formula. Compute an example all-in round-trip cost.

## Execution quality and order types

Verify available order types (market, limit, stop, stop-limit, guaranteed stop) and the broker's stop handling during low liquidity. Request a sample execution report for your typical size.

## Platform parity and demo vs live behaviour

Confirm demo and live accounts use the same liquidity feeds and settlement rules. Execute identical orders in demo and live micro and compare fills.

## Account protections (negative balance, margin procedure)

Ask if negative balance protection exists, how margin calls are communicated, and the broker's liquidation waterfall. Record automatic liquidation thresholds.

**AML/KYC requirements and data handling**

Confirm KYC docs needed to withdraw (ID, proof of address, source-of-fund). Save the broker's privacy policy and data-handling statements.

**Withdrawal limits, fees and timing policy**

Obtain the written withdrawal SLA: processing time, daily/weekly limits, fees, and any conversion policy for KES. Note any special approvals required.

**Support, escalation and responsiveness test**

Test support via phone, email and live chat. Save transcripts and time responses. Slow, evasive or unhelpful support is a red flag.

**Regulatory complaints and compensation scheme**

Ask whether the regulator provides compensation schemes or client protection in insolvency and record how to file a formal complaint with the regulator.

**Security practices and account controls**

Ensure broker supports app-based 2FA or hardware keys (avoid SMS 2FA), withdrawal account whitelisting, and separate trading/withdrawal passwords.

**Tax and reporting guidance for Kenya (KRA)**

Confirm the broker provides exportable trade history including timestamps, fees and financing. Consult a KRA adviser if trading is material.

**Red flags (stop immediately if present)**

- Unusual payment rails (gift cards, personal wallets)
- Pressure to deposit immediately or promises of guaranteed returns
- Opaque legal entity / unverifiable licence claims
- Requests for remote access, OTPs or PIN sharing
- Demo results that cannot be reconciled with live micro fills

**Escalation plan and evidence preservation**

If a problem occurs, preserve screenshots, receipts, chats and transaction IDs. Contact your payment provider (bank or card issuer) about chargeback options and file a regulator complaint with documentary evidence.

**Decision and scale rules**

Only scale after three successful deposit+withdrawal rounds, consistent live execution stats (spread/slippage within model), and satisfactory support response times. Increase funds incrementally.