

# Forex Checklist

By John F. Smith

- Select a Broker
  - Check what other traders say about the broker.
  - Check the home country of the broker.
  - Check their customer service/dealing desk.
  - Check what regulatory organizations they are registered with and what protections this affords you.
  - Check if client funds are insured against fraud.
  - Check if client funds are insured against bankruptcy.
- Account
  - Check the minimum balance required to open an account.
  - Check the minimum trade size.
  - Check if you can adjust the standard lot size traded.
  - Check if you can you earn interest on the unused margin balance in your account.
- Margin
  - Check the margin requirement.
  - Check if it changes for different currency pairs or days of the week.
  - Check if the broker increases it in volatile market conditions.
  - Check at what point the broker will issue a margin call or close open positions.
  - Check if the same applies for standard and mini accounts.
- Trading
  - Check reliability during fast moving markets and news announcements.
  - Check how many different currency pairs you can trade.
  - Check for any special features.
- Spread, Slippage and Commissions
  - Check how tight is the spread.
  - Check if it's fixed or variable.
  - Check how much slippage can be expected in normal/fast moving markets.
  - Check if they charge commissions.

- Execution
  - Check the business model they operate.
  - Check how fast is their order execution.
  - Check if the orders are manually or automatically executed.
  - Check what is the maximum trade size before you have to request a quote.