

Template: Forex Broker Evaluation Checklist for Nigerian Traders

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Based on Article: "Ultimate Resource for Broker Reviews for Nigerian Forex Traders"
Website: <https://nairafx.ng>

A practical checklist to evaluate and choose the right forex broker, ensuring safety, regulation, and execution quality.

Checklist Items:

- 1. Verify Broker Registration**
Check the regulatory body's public register for the broker's name and license number to ensure it is officially registered.
Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders
- 2. Confirm Physical Address**
Cross-check the broker's registered business address against corporate registries to confirm legitimacy; avoid brokers with only PO boxes.
Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders
- 3. Assess License Type**
Ensure the broker's license type matches the services it offers, verifying it for retail dealing or investment services.
Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders
- 4. Check for Segregated Client Accounts**
Confirm that the broker keeps client funds separate from its operating capital to protect your investment.
Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders
- 5. Look for Audited Financials**
Seek evidence of recent audits or proof of capital adequacy as a sign of the broker's financial transparency.
Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders
- 6. Review Compensation Schemes**
Check if the broker offers deposit insurance or compensation for client losses in case the firm fails to assess risk levels.
Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders
- 7. Evaluate Execution Model**
Understand the broker's execution type (Market Maker, ECN/STP, or Hybrid) to know how it affects spreads and slippage.
Reference Section: How Forex Brokers Work and Why Choice Matters
- 8. Conduct Live Trading Tests**
Open a small live account and place market orders to compare fills against raw interbank quotes for execution speed and slippage.
Reference Section: How Forex Brokers Work and Why Choice Matters

9. Analyze Fee Structure

Examine all cost components including spreads, commissions, and withdrawal fees to prepare a comprehensive cost model.

Reference Section: Practical Evaluation Criteria: Fees, Execution, and Platforms

10. Beware of Red Flags

Stay alert for unrealistic promises, like guaranteed high returns or aggressive deposit pressures, which can indicate potential fraud.

Reference Section: Regulation, Safety, and Risk Management for Nigerian Traders