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Regulatory Compliance in Online Trading: Navigating Local Regulations in Africa

UNITED KINGDOM, April 7, 2023 /EINPresswire.com/ -- Online trading in Africa has grown in an impressive way over the last few years, to the point of acquiring notable significance for traders worldwide. This growth results from increased accessibility to online trading education and opportunities. In fact, there are more than 1.3 million traders across Africa, with the numbers increasing every month.

RaiseFX Global CFD Broker

However, individuals wishing to participate in forex trading in the continent must understand their countries' regulatory framework. Here is a simple guide to help you understand the necessary regulations. Read on.

Online Trading Regulations and Regulatory Frameworks in Africa

Local regulations and regulatory frameworks for the online trading industry are critical for its growth in any market, and Africa is no exception. These measures are in place to protect investors, enhance transparency, encourage online retail trading, and address liquidity problems. Regulations require traders to partner with licenced CFD brokers and make all of their trades on their behalf.

South Africa and Kenya are two countries that have formalized and regulated the online retail trading sector. South Africa is the leading trading hub on the continent. The nation boasts at least 190,000 daily online traders and more than 1,000 financial entities. Furthermore, the SA Rand is one of the most traded currencies on the continent.

In addition, according to BusinessTech, the nation's total online trading volume, including spot trading and CFDS, is about $2.21 billion daily, with a total of $20.37 daily foreign exchange of all forex instruments in 2019. One thing making SA the leading country in Africa is its robust regulatory framework provided by the South African Financial Sector Conduct Authority (FSCA).

The FSCA supervises financial activities in the nation and has imposed various controls and restrictions. They also oversee all market participants to ensure transparency in their dealings with customers through a strict regulatory framework. If any misconduct happens, the FSCA will take the necessary action.

Kenya is another major market after SA that currently regulates forex trading. The Capital Markets Authority (CMA) has regulated FX trade since 2016 under the Finance Act 2016. The CMA issues licenses and supervises the activities of capital market agents in the country. In addition to regulating the capital market, they also perform the role of educating online traders in Kenya as well as ensuring their safety.

Embracing Online Trading in Africa
Online trading offers tremendous opportunities to build wealth for any investor who makes informed decisions. However, as a trader in Africa, you must do the necessary research to know your country's trading regulations and check whether or not the CFD broker you are looking to partner with is locally regulated.

Moreover, partnering with reliable CFD brokers like RaiseFX is crucial. RaiseFX has gained recognition in Africa over the past year because of its commitment to delivering services tailored to most African nations. In addition, being a multi-regulated global broker, their local presence helps them understand the trading needs of every region on a granular level.

As online trading activities in Africa continue to expand, traders who take these precautions and look for the best trading partners will have the best chance of realizing their trading potential.

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