

Why Contracts for Difference Are Back Under Scrutiny

“Contracts for difference, or CFDs, have hastened the demise of an Irish bank, triggered alleged Ponzi schemes in Chile, featured in a \$100 million U.S. insider-trading racket and seen echoes of their use in the implosion of Archegos Capital Management. They’ve also spooked regulators,” reports Donal Griffin in their bloomberg Quint.

“because of the risks they pose to retail investors, sparking tighter rules in the U.K. and European Union. But new regulations didn’t stop amateur traders flocking to CFDs in 2020 as a result of volatility during the pandemic, and again in 2021 as part of a surge in retail interest in global markets.”

Read the article.