

## Choosing a Forex Broker: Differences Between Dealing Desk and Non-Dealing Desk

In financial markets such as **Forex market**, a broker acts as the **intermediary** between the **trader** and the market.

To make the right choice among the active **brokers** in financial markets, one must have a good understanding of the **services** provided and the way each broker operates.

Understanding the types of brokers is an essential part of **how to choose best forex broker**. Brokers are categorized into **Dealing Desk (DD)** and **Non-Dealing Desk (NDD)** types, with the Non-Dealing Desk category including various trading accounts such as **ECN** and **STP**.

 Trading

### Choosing a Forex Broker



Reviewing essential factors for choosing a forex broker

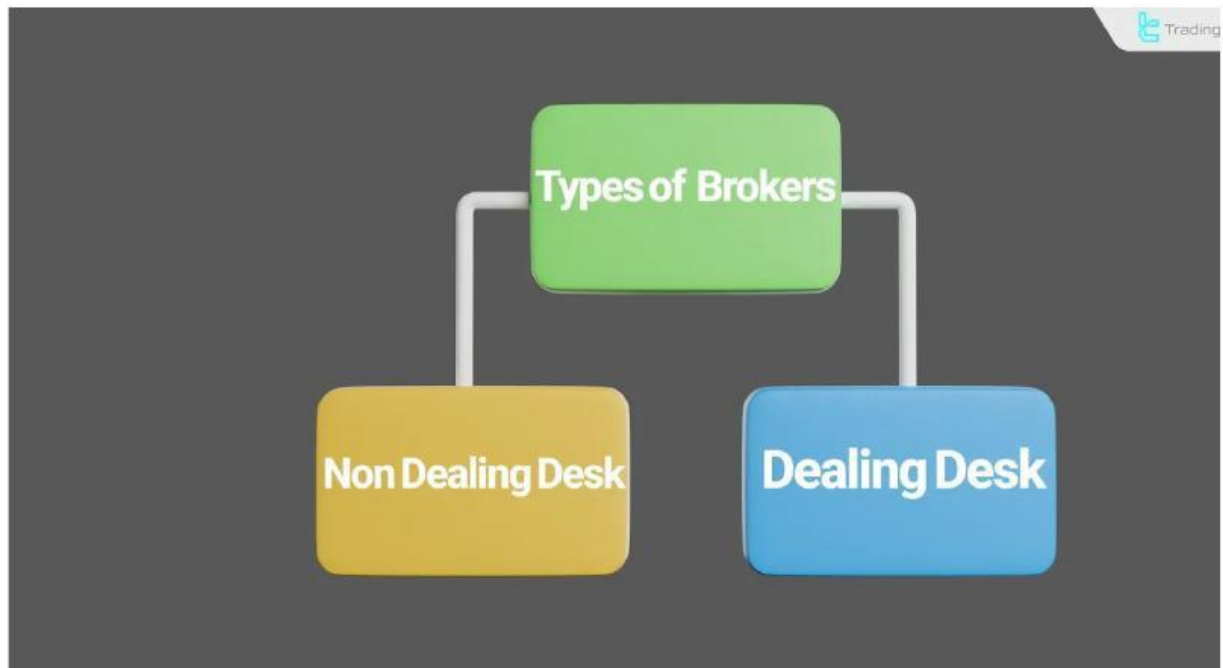
## Importance of Choosing a Forex Broker

Understanding **how to choose a forex broker** is crucial because selecting a suitable broker depends heavily on your **trading strategy**, especially when considering factors like spread and commission costs.

## Types of Brokers by Execution Model

Brokers are divided into **two main types**:

- ⚡ **Dealing Desk (DD)**
- ⚡ **Non Dealing Desk (NDD)**



Categorizing brokers into Dealing Desk and Non-Dealing Desk

## Dealing Desk Brokers (DD)

In this type of broker, the trader deals **directly** with the broker itself. This means the broker **buys** or **sells** the trader's **requested** amount based on the type of order.

## Non-Dealing Desk Brokers (NDD)

These brokers act as **intermediaries** between **traders** and **liquidity providers** and are divided into two categories:

- ⚡ **STP Brokers (Straight Through Processing)**
- ⚡ **ECN Brokers (Electronic Communication Network)**

### STP Brokers

When learning **how to choose a forex broker**, it's important to understand that in STP brokers, liquidity providers are fixed and predefined.

These brokers offer **floating spreads** and may apply a markup a slight increase in spread for additional broker profit. However, **no commission** is charged for executing trades, and they provide **high-speed execution** with **moderate transaction costs**.

### ECN Brokers

ECN brokers provide a network of **market makers** (banks, other brokers, large institutions, traders, etc.).

Orders are **automatically** matched and executed within this network. The broker charges a separate commission for connecting and completing orders.

A critical factor in **how to choose best forex broker** is understanding that ECN brokers provide the highest transparency in executing trades and typically offer **ultra-low spreads**.

## Comparison Between Dealing Desk and Non Dealing Desk Brokers

The business model, order handling, and connection to the **interbank market** differ between DD and NDD brokers. The table below presents a comparative overview:

| Feature              | Dealing Desk (DD)    | Non Dealing Desk (NDD) |
|----------------------|----------------------|------------------------|
| Order Execution      | By broker (internal) | By liquidity provider  |
| Conflict of Interest | Yes                  | No                     |
| Spread Type          | Fixed                | Floating               |
| Chance of Requotes   | Yes                  | Very low               |
| Price Transparency   | Lower                | Higher                 |
| Suitable For         | Beginners            | Professionals          |

## Criteria for Choosing a Forex Broker

After selecting a broker, its services and credibility should be evaluated based on the **following factors:**

- ⚡ Regulation and Supervision
- ⚡ Trading Platform
- ⚡ Customer Support
- ⚡ Account Types and Trading Conditions
- ⚡ Deposit and Withdrawal Methods



Key criteria for selecting a suitable broker

## Regulation and Supervision

Regulation refers to the supervision of a broker's operations by an **international or regional financial authority**.

There are **three levels of financial regulators** with different levels of strictness:

- ⚡ **Tier-1 Regulators:** The strictest and most reputable global regulators;
- ⚡ **Tier-2 Regulators:** Reputable with less strict oversight compared to Tier-1
- ⚡ **Tier-3 or Offshore Regulators:** The least strict, often used by brokers serving sanctioned countries like Iran and Lebanon.

## Trading Platform

The trading platform offered by a **suitable broker** should be stable, fast, and well-known. The most widely used platforms among brokers are **MetaTrader 4 (MT4)**, **MetaTrader 5 (MT5)**, and **cTrader**.

Additionally, **fast trade** execution and minimal slippage indicate a high-quality infrastructure.

## Customer Support

One important aspect of **how to choose a forex broker** is access to quick, multilingual, and responsive customer support under various conditions. Ideal support factors include:

- ⚡ **24/7** availability
- ⚡ Multiple communication channels (chat, phone, email)
- ⚡ Multilingual support

## Account Types and Trading Conditions

A variety of account types (**ECN**, **Micro**, **Standard**, etc.) enables traders to match their accounts to their **trading strategies**. **Important criteria include:**

- ⚡ Minimum deposit requirements
- ⚡ Leverage options
- ⚡ Spread levels
- ⚡ Transaction commissions

## Deposit and Withdrawal Methods

Due to the volatile nature of **financial markets**, a broker should offer various deposit and **withdrawal methods** to ensure seamless transactions even during technical issues.

**Common methods include:**

- ⚡ Bank wire transfers
- ⚡ Credit cards
- ⚡ E-wallets like Skrill and Neteller
- ⚡ Cryptocurrencies

## Conclusion

Choosing a forex broker should focus on the order execution structure (**Dealing Desk** or **Non-Dealing Desk**), spread type (fixed or floating), chance of requotes, price transparency, and interbank market connectivity.

Another key element of **how to choose a forex broker** is evaluating the broker's credibility by examining regulation levels (Tier-1, Tier-2, Tier-3, or Offshore), account structures (ECN, STP, etc.), commission policies, and trading platforms. All these factors must ultimately align with the trader's personal trading strategy.

### Sources:

1.our website link :

<https://tradingfinder.com/education/forex/choose-broker/>

2.all Education :

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