

**[On-line information about commodities brokers and futures brokers](#)**

**Category : Regulation of Financial Advisors and Investment Advisers**

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Summary: Commodities and futures brokers and their firms can be checked through the on-line system of the National Futures Association. The National Futures Association (NFA) (see: <http://www.nfa.futures.org> ) provides the Background Affiliation Status Information Center (BASIC) system at <http://www.nfa.futures.org/basicnet>. The BASIC website includes summaries on registered brokers and firms. The system also provides information on regulatory actions, arbitration awards, and reparations. Before engaging a commodities, foreign exchange, or futures broker, however, you should very carefully consider why you, as an individual investor want to purchase or sell futures or commodities contracts. Such investments are very complex and require a high degree of investment sophistication and knowledge to be used properly. Many naive investors have lost substantial sums while in vesting in these instruments &ndash; in part because they simply did not understand what they were doing. For a select and knowledgeable few, commodities and futures investments may play an important risk-hedging role to counterbalance risks to which one&rsquo;s actively managed portfolio might be exposed. For such persons with a bona fide risk management need, such investments could be valuable. However, for most other investors, these option investment vehicles could dramatically increase the risk of their portfolios. Read carefully the various materials on the NFA site and also get independent advice from a competent and genuinely objective advisor before proceeding. When in doubt, do not get involved in commodities, foreign exchange, and futures securities. Of course, if you have doubts, asking a broker who would benefit financially if you were to trade these contracts, is just silly. If you still intend to proceed, after weighing the risks, then failing to use NFA&rsquo;s BASIC system to check out a broker and his firm is equally silly.

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