

PROP FIRM CHALLENGE RULES CHEAT SHEET

OFFICIAL TRADER DESK COPY

STANDARD 2-PHASE EVALUATION METRICS (FTMO / FUNDEDNEXT)

Parameter	Phase 1 (Evaluation)	Phase 2 (Verification)	Funded Live Account
Profit Target	8% to 10% Profit Target	5% Profit Target	No Target (Keep 80-90% Split)
Max Daily Loss	5% Daily Balance/Equity Limit	5% Daily Balance/Equity Limit	5% Strict Hard Daily Stop
Max Overall Loss	10% Total Drawdown Limit	10% Total Drawdown Limit	10% Trailing or Static Limit
Trading Days	Minimum 4-5 Trading Days	Minimum 4-5 Trading Days	No Minimum Days
Holding Rules	Weekend holding requires permit	Weekend holding requires permit	Swing accounts allow weekend

1. Risk Per Trade Cap (0.5% max)

Never risk more than 0.5% per trade. If you take 3 losses in a day, your loss is only 1.5%, safely inside the 5% daily limit.

2. Balance vs Equity Drawdown Traps

Most prop firms calculate daily loss from midnight equity. Open floating profits will drag your daily loss buffer up!

3. News Event Blackout Windows

Do not execute trades 2 minutes before or after High Impact Red Folder releases (NFP/CPI/FOMC) to avoid breach disqualification.

4. Consistency & Lot Size Rule

Do not open 10 lots on one trade and 0.1 lots on another. Maintain consistent position sizing within a 2x variance.

5. Martingale & Grid Prohibition

Never average down into losing trades. 95% of prop firm challenges are failed by revenge trading and martingale lots.

6. The Scaling Plan Highway

Consistently achieve 10% over 4 months to unlock a 25% capital increase and up to 90% profit split scaling.