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To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

As an individual trader I would be victimized by the 10:1 leverage item in this proposal.

While such lower ratios are fine for trading other commodities, they are entirely unsuited to the forex market. In this market, the numeric value changes are so small, (relative to that of other commodities), that to have any noticeable gain or loss, tens to hundreds of thousands of dollars must be leveraged in a given transaction.

I realize that the brokerage firms themselves have issued a letter to this effect, but I want the commission to know that such changes don't just impact the large firms, who are sometimes considered faceless entities. This sort of thing actually hurts the average citizen, like me, who is only trying to make their investments last them into retirement.

As an example; last year the NFA added a number of unhelpful and restrictive regulations, such as rules against hedging.

This is outside what they should be regulating - it's not about ensuring that brokers have enough liquid to pay back their investors, etc. This is direct meddling in actual trading strategy. Since they have already done this, and no one knows what will come next, I moved all my accounts to brokers in other countries. Being a "non-nfa" broker has become a catchphrase for advertising outside the US, and people are investing elsewhere in droves. Why deal with unrealistic regulation that clamps down on your leverage and defines how you trade if you don't have to?

All that this proposed rule would guarantee is the acceleration of the exodus to offshore brokers, since no one could use a US broker unless they controlled a substantially larger sum of capital than nearly any individual would realistically have. A person would have to mortgage their house to be able to hold open only a few trade positions.

Isn't this missing the point of the market regulatory agency to start with? I understood the purpose was to protect the individual investor. This is doing the opposite. Individuals would instead be forced to use offshore brokers to even participate in the market at all.

I was hoping that after a few years, some committee would notice all the undesired consequences of these regulations and overturn them, bringing the business and tax revenue back to the US. It appears that may not have been a reasonable expectation.