10-001
COMMENT
CL-02290

From: skligman <skligman@rogers.com>
Sent: Thursday, January 21, 2010 9:32 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sirs,

As a retail Forex trader for the last 4 years I'm very concerned about the proposed possible change. I understand that your intend is to protect naive and non-educated investors from losing their money in the forex market. But what will happen instead is that they will put their money in offshore brokerages with unregulated and unscrupulous people. This is what's happening with online casinos. Why then educated and conservative traders like me have to suffer?

A leverage structure change in retail forex margining from 100:1 to 10:1 will force a great majority of forex business to be done offshore and thousands of U.S. (perhaps Canadian as well), jobs would be lost in the derivatives industry to European and other foreign competitors. Worse, U.S. forex customers would not be protected by the CFTC through these foreign accounts.

It was clearly not the intent of the Congress to destroy the U.S. retail forex industry when the CFTC was given the authority to create rules for retail foreign exchange. Congress made it clear that the industry was to be policed, not abolished. The 100:1 leverage structure was changed from 400:1 earlier this year when the NFA submitted rules which the CFTC approved. This governance created clear guidance and market protection while keeping the United States competitive with the offshore competitors even though it was a higher requirement.

With Gratitude,

Efim & Svetlana Kligman
Members of Toronto GTA 4X & Ontario Pipsters User Groups
fkligman@rogers.com
905-553-5436