

From: Ólafur F Sigurgeirsson <fafnir@vortex.is>
Sent: Friday, January 22, 2010 6:22 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sirs

I would like to comment on the proposed new regulation regarding reduced leverage for retail forex traders in the US. This is one of those ideas that sometimes pop up and makes my jaw drop to the floor. Reducing leverage further than has already been done in the US is going to kill the retail forex traders in the US and drive them offshore. This will in fact increase the risk they are taking if they go to unregulated brokers in other countries. The fact of the matter is that forex traders trading with 100/1 leverage or more do know the concept of risk very well. Otherwise they would just blow up their accounts very fast.

I did move my account to London last summer when the "no hedging" and "FIFO" rules came out. I am kind of glad i did but do not get me wrong. I would have loved to been able to trade in the US but with all the tougher rules it is almost impossible. This reduction of leverage to 10/1 is the last nail in the coffin of the retail forex business in the US.

I wish you would consider dropping this proposal altogether. This is a 3 trillion dollar a day business and I would like to see some of the revenue that goes with this end up in the US. But if this passes it will all go offshore.

Best regards
Ólafur Fáfñir Sigurgeirsson
Retail forex trader