

From: Christopher Glendinning Miller <Christopher1955@hotmail.com>
Sent: Sunday, January 31, 2010 1:18 PM
To: secretary <secretary@CFTC.gov>
Subject: Re: Regulation of Retail Forex - RIN 3038-AC61

I trade Retail Forex. I am not an American Citizen and will be unaffected by the above directive. My reason for responding is that I do not want to see regulation introduced to a market that functions very well without very limited regulation.

I understand the reason for contemplating the introduction of regulation. However the Forex arena was in no way responsible for what has become known as the 'Credit Crunch'. In fact there is no way in which the Forex arena could in any way cause something like the Credit Crunch. Consequently, the regulations will be punishing those who are not responsible for the Credit Crunch.

Most Retail Forex is traded over the Internet and provided there is Internet connectivity, it does not matter where the trader or trading platform is located. Many European brokers are now located in Cyprus where the such regulation as exists in Europe is lightest. Cyprus provides all of the European protection with the lightest regulation. Brokers like that and it is just great for us consumers.

If you were to introduce regulations as you propose, you would find that many of your brokers would simply migrate their platforms to jurisdictions that are lightly regulated or not regulated at all.

You should be aware that many brokers provide leverage at 400:1 and you are proposing 10:1. Those brokers that are only able to offer 10:1 will lose any edge on the market that they may have. Business will disappear abroad to those brokers that offer 100:1. America will almost overnight cease to be a market leader and instantly lose an industry at which it has been at the forefront since its inception back in the late 1990's.

The UK platforms are different to the US platforms in so far as the origins of the UK market comes from the world of gambling and bookmaking. The US platforms come from the world of investment. The regulations being proposed will drive the market away from the world of investment into the world of gambling and bookmaking. You should note that since in the UK the Forex arena emanated from the world of gambling and bookmaking, the contracts are 'illegal' and therefore any winnings are not taxable as such unless the Inland Revenue can show that it is the trader's 'trade'. The point is that human ingenuity being as it is, it will not be very long before any regulations that you may make will be circumvented to allow the broker to set any level of leverage that they see fit, including 400:1.

Thus by way of summary, if you introduce these regulations, you will almost certainly kill the Forex arena in the US and drive the industry abroad. That will cause a loss of jobs in the US plus give your citizens a golden opportunity to avoid the payment of taxes because you will have no control over the off-shore jurisdictions. Further it will only be a matter of time until your regulations are circumvented. If your regulations are circumvented, you quite simply lose any credibility you

might otherwise have. In other words regulations are there to be made for the common good and are not there for lawyers to become rich by developing methods of circumvention.

I like America and what it stands for. I send you this email because I care about the values you uphold. Please don't make a mistake by introducing these leverage regulations for Retail Forex.

Regards

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