

From: Thierry.B <lepoque@wanadoo.fr>
Sent: Sunday, January 31, 2010 6:24 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of retail forex

Hello

I am a French investor in foreign currency and work through a U.S. dealer (FXDD). I am very concerned about the proposed rules from the CFTC and as an investor, I would be forced to take my business outside of the United States.

The CFTC's recent rule proposal, which would limit customer trading leverage to 10 to 1, would be a crippling blow to the U.S. forex industry. This unsustainable rule would drive U.S. forex dealers, which brings tens of millions of dollars into the U.S. banking industry each day, offshore into the hands of foreign competitors.

It would encourage fraud both at home and abroad as customers seeking to trade retail forex would have no other legitimate domestic alternative. Since 2001, FXDC members have added an estimated 1,500 employees to their companies in the United States alone. Now is not the time for the CFTC to propose rules that would eliminate valuable high-tech service jobs, leaving thousands of additional Americans unemployed.

Unregulated dealers from around the world will be the beneficiaries of the 10 to 1 leverage rule. These unregulated forex dealers don't have to worry about capital requirements, risk management models, marketing ethics, dealing practices or even returning a customer's funds. These dealers will be out of the reach of the CFTC and they will thrive.

Retail forex fraud is not something that is caused by the actions of retail forex dealers; rather, it is caused by unlicensed con-men who masquerade as forex experts promising silly and unjustifiable returns before disappearing with customer funds. That is why the FXDC fully supports the CFTC's rule requiring all introducing brokers be licensed. That rule will solve forex fraud, not 10 to 1 leverage.

I believe that all traders should have the right to choose the amount of leverage and this basic choice is being threatened by the proposed CFTC regulations and I believe that 100 to 1 is a very good leverage.

Thierry.B
France