

**From:** colinwbrown@xnet.co.nz  
**Sent:** Thursday, February 4, 2010 3:49 AM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:**  Regulation of Retail Forex

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CFTC regulatory proposal for retail forex transactions to restrict leverage to 10:1 fails to be of a transitional nature. I would like to approach this matter with an open mind, and share any concerns CFTC may have towards retail forex. I think you need to differentiate between customers who represent a limited liability company and personal accounts BEFORE SETTING ANY NEW REGULATIONS IN PLACE.

A business of an export/import nature requires access to a good retail forex provider, OANDA without hesitation, is probably the best, why persecute them..., some fine tuning maybe, but please apply some common sense too, i.e. don't upset the apple cart..

CFTC would be better to instruct the retail forex operator to offer a service that is more transitional in nature, for new and long standing clients. This would be more socially responsible to operate as a legitimate forex retailer and fair to long standing clients. (and weed out the one's who are always advertising high leverage, we know who they are, OANDA is not one of them)

A. One strategy may be to limit new customer's (retail forex) to 10:1 leverage for first 12 months or first 3 years.

B. 50:1 Leverage being only available to customers with a retail account of five years or longer. (as they are not really retail forex clients at this stage)  
After 5 years, their status should be amended to non - retail if they are registered as a limited liability company.

C. OANDA does not operate like other retail forex accounts, their maximum leverage is 50:1, OANDA should not be penalised because of the many other retail forex provider's that advertise 24/7 to lure in new customers with high leverage on a constant basis. (Ban all forex retailer advertising that includes any leverage being offered, i find it personally offensive and no better than a used car salesman outfit, definitely a blight on the genuine forex retailer that is not chasing it's business) Maybe there should be a ban on any advertising of the retail forex provider and this would require that retail forex provider's obtain their business from customer's approaching them, NOT the retail forex provider constantly chasing business; that is where i see the real problem. (the advertising of the product and misleading advertising) Many of the retail forex community may go out of business if there

was a ban on advertising and maybe my view is too extreme, but i agree that there is a problem with the integrity of the retail forex sector and there are better way's that just addressing the leverage issue.

E. A limited liability company should not be disadvantaged for belonging to a retail forex provider. (especially if they have been with the same retail forex provider for a minimum 5 years)

Best Regards

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New Zealand