

From: Felipe Antunes <felipemneo@yahoo.com.br>
Sent: Monday, February 8, 2010 1:13 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sir

I am writing to comment on the proposed rule to limit the leverage of US retail forex accounts to 10 to 1, which I understand has the aim of protecting retail forex clients. Unfortunately, the rule will have the opposite effect and will simply drive retail traders to brokers outside the US where you have no jurisdiction and can therefore protect no longer.

The proposed limitation of 10 to 1 is simplistic and ignores numerous other important factors, including account size, personal net worth, trading methods, trading ability and experience. A leverage of 10 to 1 in the hands of one trader may be significantly more risky than a leverage of 100 to 1, say, in the hands of another when all these other factors are taken into account.

Limiting leverage to 10 to 1 would require traders to deposit several times as much money with brokers and undermine many people's trading strategies. The outflow of funds and accounts from US brokers will reduce the stability of many brokers systems causing volatility and system failures hence making them even more unattractive places to trade.

If you really want to protect retail traders you will not implement this rule.

Yours sincerely

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