

**From:** hart tamunotonye <iyawoo2much@yahoo.co.uk>  
**Sent:** Wednesday, March 10, 2010 10:00 AM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of retail Forex

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sir,  
i wish to comment that the regulation should be at 100-1 leverage.

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**From:** "Alpari (US), LLC" <Alpari\_US\_LLC@mail.vresp.com>  
**To:** iyawoo2much@yahoo.co.uk  
**Sent:** Mon, 8 March, 2010 12:34:56  
**Subject:** CFTC Proposal - 3 weeks left for comments

Dear Traders,

We are sending you this follow up email to remind you that you have a voice and there are **only three weeks left!** The CFTC is accepting comments on it's proposal until March 22, 2010. We strongly encourage you to submit your comments to them during this time period. Below you can find the response of Alpari (US) in regards to the new CFTC proposed regulations.

## Alpari (US) Speaks out about the CFTC Proposal

### New CFTC Proposed Rule

On January 13, 2010, The Commodity Futures Trading Commission (CFTC) released a public proposal, *Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries*, which imposes new requirements on the U.S. Forex industry. The proposal significantly changes the leverage permitted on certain accounts and, if passed, would have a drastic effect on retail investors. In the CFTC proposed regulation, leverage in retail forex customer accounts would be subject to a 10-to-1 limitation.

Currently, the CFTC enforces 100:1 leverage (a 1% margin requirement) to open and maintain a position on a forex transaction. With the 10:1 leverage proposed, retail traders would be subject to a 10% margin requirement. Retail traders would have to invest significantly more to place trades of the same size, ultimately resulting in a decreased return or loss on invested margin.\* The risk-reward ratio that is so appealing to the average investor today under 100:1 leverage would no longer be available if the proposal is passed.

The effect of this change can be summarized through the following example:

Currency Pair	Price Quote	Transaction Size	Current Margin Requirement at 100:1 Leverage	Proposed Margin Requirement at 10:1 Leverage
EUR/USD	1.4285	1 standard lot = 100,000	\$1,428.50	\$14,285.00
GBP/USD	1.6370	1 standard lot = 100,000	\$1,637.00	\$16,370.00

### **Where we stand**

Alpari (US) has always been a strong supporter of ethical and fair business practices and the protections offered to traders through industry regulation. However, Alpari (US) does not support *this* CFTC proposal.

Alpari (US) believes that this proposal discourages beginners from developing and strengthening their trading style. It effectively prevents investors from evaluating their own appetite for risk and making personal investing decisions.

We place a strong emphasis on educating traders to make informed and responsible decisions. We believe that, with proper education, it is not necessary for the U.S. Forex industry to be subject to these regulations. Only recently have the doors opened for retail investors to trade in this market; these doors are effectively closed through the proposed rules, once again making the FX market accessible only to financial institutions.

### **You have a voice**

Our goal is to guide you in understanding the intentions and ramifications of this proposal and remind you that, as a retail investor, you have a say in how your freedoms are controlled. We believe that this is a decision to be made by the traders, not the regulators. You are the largest group who can make these ramifications heard.

We encourage you to send your comments to the CFTC during the 60 day period, ending on **March 22, 2010**. If you have an opinion on whether the CFTC should restrict leverage across the board to 10 to 1, we want you to voice it. Send your comments to [secretary@cftc.gov](mailto:secretary@cftc.gov) and include "**Regulation of Retail Forex**" as the subject line of the message. Additionally, you can file comments online, by fax at **202-418-5521** or by mail to:

Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, DC 20581

### **Team of Alpari (US)**

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\*The potential of profit is equal to the risk of loss on all leveraged transactions.

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