

**From:** Mike.Robinson@dfat.gov.au  
**Sent:** Wednesday, January 20, 2010 6:59 AM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** "Regulation of Retail Forex" [SEC=UNCLASSIFIED]

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To whom it may concern,

I'd like to comment on "RIN 3038-AC61" where there is a proposal to set maximum leverage to 10:1 for retail forex traders in the US. I believe that this is anti competitive, and will destroy the market. Anyone who has a disciplined system, and is well educated who sets their stops tightly can limit downside losses. The issue is not the amount of leverage being used, but that people do not understand the risks, and how to limit them. It is a matter of simple mathematics. I believe that potential retail forex traders should be made to sit a compulsory course, with an exam at the end focusing on their mathematical ability, focusing particularly on calculating potential losses and gains from the pips they make or lose. If you limit to 10:1, you severely limit liquidity in markets, and damage the attractiveness of the market for traders.

Economics is about modifying behaviour. Limiting market behaviour unnecessarily is anti competitive, and will negatively impact growth in the US market.

I like the idea of legislating brokers though. About time.

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