

The proposed regulation is ridiculous! The role of government is not to limit opportunity but to protect legitimate brokers and clients from fraud and abuse. Certainly oversight and regulation is commendable. This is not achieved by destroying a market. The leverage available to responsible investors allows a much larger segment of the investment community to participate in a market otherwise restricted institutions, banks, and the extremely wealthy. This restriction goes beyond the responsibility of government.

No where in the forex industry are people encouraged to invest money they can't afford to lose. Disclaimers abound and any reputable broker offers multiple warnings of risk and advice on risk and capital management, an intrinsic part of any investment strategy. Specialized computer programs designed to warn of approaching margin risk, and prevent overexposure are certainly available. Forex platforms with risk management built in also are common.

Regulation of the requirement for adequate informed consent to participate in the market, and protective management for both investor and broker are reasonable. To remove the leverage necessary to allow private participation does not achieve this it just destroys the market obviating the necessity.

Most investors are responsible and given to the same emotions that govern this market, fear and greed. With this motivation they soon learn that without responsible money management for them the market collapses. It is not the responsibility of government to protect people from their own stupidity. On the other hand, it is the responsibility of government to protect their right to be stupid. Responsible money management cannot be legislated. Safeguards that protect the legitimate flow of funds and regulate brokerage management of leveraged accounts are certainly welcome and in some cases absolutely necessary. This is not achieved by eliminating leverage and destroying the market.

Marco Zarlengo