

Who I am and who we are.

Currency traders

Run RobBooker.com, Piptopia.com, and RobBooker.co.jp

Manage some funds for close friends and family

Our agenda for the webinar.

Explain why we are doing the webinar

Explain who is regulating Forex

What we are doing to protect ourselves

Upcoming free webinar on trading strategies (we hear requests all the time)

We will take all the questions at the end

The question on everyone's mind

Is leverage going to change?

My short answer is no, I do not think it is going to change to 10:1.

But I have a longer answer and we'll talk about it in detail later.

Why we are doing this webinar.

Regulations are frightening and confusing

Freedom to trade in the same way we have is threatened

What is the CFTA, and how does it compare to the NFA?

The NFA is the National Futures Association, a self-regulating body

Members pay dues and NFA is able to set rules and enforce them, not our main concern today

Did regulatory authority over retail forex move from the NFA to the CFTC? Probably not all the way, no ... maybe

We are here today to talk specifically about the CFTC

The CFTC is the Commodities Futures Trading Commission

[The Commodity Futures Trading Commission (CFTC) was created by Congress in 1974 to regulate commodity futures and option markets in the United States]

Run by ex-Goldman Partner Gary Gensler

He previously was anti-regulation and worked with Robert Rubin at Treasury

He

Recently permitted through the Farm Bill _____ to have greater regulatory authority over a wide range of derivatives and Forex

Recently started promulgating new rules for Forex

The farm bill passed in 2008 gives CFTC authority and creates a new class of registration requirement for Forex Dealers

All that matters is that the law passed (overrode veto from the president who never vetoed anything) and it gave the CFTC authority to regulate retail forex

<http://agriculture.house.gov/inside/FarmBill.html>

Why the hell did a farm bill contain provisions for Retail Forex? Huh?

Here is the section on futures trading:

http://agriculture.house.gov/inside/Legislation/110/FB/Conf/Title_XIII_fs.pdf

And the details:

<http://agriculture.house.gov/inside/Legislation/110/FB/Conf/CRIlang.pdf> (page 548 and onward)

Bills often have additions to them that are separate from the real purpose

What are these rules everyone is worried about?

Released on January 13 but in full (and started the clock ticking) on January 20

Here are the rules:

<http://www.cftc.gov/lawandregulation/federalregister/proposedrules/2010/2010-456.html>

and

<http://www.cftc.gov/ucm/groups/public/@lfederalregister/documents/file/2010-456a.pdf>

Once a proposed rule is issued in the Federal Register, 60 day comment period starts ticking

How do people comment? How many people commented on this rule?

And all the comments are:

<http://www.cftc.gov/lawandregulation/federalregister/federalregistercomments/2010/10-001.html>

Then rule is adjusted and ____ happens

The basics of the rule are as follows:

- Major Regulations on How Retail Forex Business is Conducted
- Leverage
- What is the CFTC Thinking?

The CFTC is thinking the following:

- a) Why isn't the public thanking us?
- b) There have been almost \$1 billion in judgments against fraudulent activities
- c) Forex has been a breeding ground for scam artists and douchebags
- d) Dealers have claimed to be "no-dealing desk" and they are lying
- e) Dealers have been undercapitalized
- f) People usually lose money trading forex (duh - same with options, stocks, and futures)

The Rules at a Glance

I only want to mention quickly the rules on how FX business is conducted

And then the leverage requirement

What are the problems with these rules?

First, traders in the US will move their business offshore (no real protection)

Second, brokers will move their jobs offshore (this is just plain dumb, right?)

Traders will end up with the same leverage as before

Third, futures brokers will be able to offer greater leverage than retail (competition)

Fourth, the NFA already set rules on leverage that took effect

Fifth, Congress never intended for leverage to be changed

Sixth, You can lose more than your initial investment in futures. How is that better or safer?

For these reasons, it seems unlikely that the leverage restriction will take effect as written so far

What have brokers done about this so far?

They formed a lobbying group, and even Oanda joined in

Several executives met with the CFTC on ____ date

Comments have been sent from brokers

What can you do?

You can write / call your Congressman/woman

<https://writerep.house.gov/writerep/welcome.shtml>

You can comment directly to the CFTC

E-mail: secretary@cftc.gov. Include "Regulation of Retail Forex" in the subject line of the message, and RIN 3038-AC61

Tips for commentary: focus on competition, focus on working with your dealer, do not go over the top emotional

What are we doing?

Corbin - trading with FXCM UK

Special webinar

Go to robbooker.com right now and click on the link
Special webinar on pivot trading and short term trading
Registration qualifies you for a \$500 discount on upcoming pivot trading webinar series

Questions

Pre-submitted questions

10 questions collected during the webinar

Resources

The webinar recording will be emailed to you in one day.

All the resources and etc will be available here: <http://www.robbooker.com/cftc>

http://topics.nytimes.com/topics/reference/timestopics/organizations/c/commodity_futures_trading_commission/index.html

<http://www.cftc.gov>