Press Releases

Nearly 5,000 Retail Forex Traders Submit Comments to CFTC in Uproar Over Proposed 10:1 Leverage Cap

GAIN Capital Supports Foreign Exchange Industry Efforts Against Proposed Regulation

WHAT: The Commodity Futures Trading Commission (CFTC) recently proposed new rules concerning retail foreign exchange (forex) trading in the United States. As part of the proposed regulations, leverage in retail forex customer accounts would be subject to a 10 to 1 limitation. The proposal continues to attract sharp criticism from individual investors. In January alone nearly 5,000 comments were posted on the CFTC site arguing that the limit would severely impact their ability to trade forex, an unprecedented response compared to any previously proposed CFTC regulation.

WHO: GAIN Capital CEO Glenn Stevens is a staunch proponent of regulatory oversight of the retail forex industry, supporting changes that benefit and protect retail clients. However, GAIN Capital takes strong exception to the CFTC's proposed 10:1 leverage ratio, which could force investors to go offshore or to unregulated firms in search of the leverage requirements they seek. Mr. Stevens was recently appointed to the advisory committee of the National Futures Association (NFA) in an effort to provide a broad and objective point-of-view on retail forex regulations. He is available for comment on the proposed 10:1 leverage rule and its potential effects on the forex industry.

WHERE: Comments on the proposed regulation can be found at:

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

DETAILS: GAIN Capital, which operates FOREX.com, one of the largest online retail forex firms, is a member of the Foreign Exchange Dealers Coalition (FXDC) (http://fxdc.org). The FXDC does not support the proposed leverage change in its present form and is working collectively to respond to the CFTC during the 60-day public comment period.

CONTACT:

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