Feedback

From: Syed Tousif Ahmed [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: responsetoasic@pepperstone.com
Date: Sat, 28 Sep 2019 21:02:19 +1000

Hi

I am writing this email in regards to the ASIC's Product Intervention Proposal (Consultation Paper 322).

I completely understand ASIC's motive behind this proposal - which is to primarily protect retail clients from huge financial losses.

However, I am not happy with this proposal as I rely on trading as a source of my annual income. This proposal will require me to have huge capital/margin which I can't afford as a retail trader. I will be really worried and forced to looks for options for brokers with high leverage overseas if this proposal is implemented.

I sincerely request ASIC to only ban Binary Options, but do not change leverage ratios for CFDs.

Based on my experience with trading for the last 3 years, any trader who is not trading with a proper system, plan and risk management techniques are more susceptible for continuous streak of loses.

I am a retail trader. I've invested a lot of time in educating myself on how to trade with a proper plan and manage risk/reward on each trade I get in. I have trained myself mentally over the years to always take the trades with proper risk management and have learnt various fundamental/technical analysis methodologies.

Implementation of this product intervention changes will be demotivating for me and I am afraid to say I will have to give up trading (unless I can somehow afford huge capital) and start to look for other source of income.

Thanks & Regards
Syed Tousif Ahmed

ASIC consultation paper 322 feedback

From: tahseen ahmed [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>, cp322@fpmarkets.com.au
Date: Mon, 30 Sep 2019 16:52:40 +1000

I got an email from IG market and CMC markets to provide our feedback in regards to the leverage changes proposed by ASIC.

I have been trading CFD for quite some time now. It is a complex industry with unlimited prospects. In the beginning, I lost a bit of money but I learnt that I need to do a lot more research and do a few courses and then do trading. And it has helped me enormously. I started with a mere investment of 50 dollars. Which is nothing. I saw the concern is about consumer protection so that people don't lose money. Which i think is not fair at all. If somone with their senses are investing, it's their own responsibility. They should learn first and then go into it. There could be many courses which could be made as a mandatory part before opening a CFD account. But changing the leverage to proctect these people who just get into it and invest a lot of money and lose it, is absolutely absurd. If this is the reason, then why not gambling or betting illegal??

Changing the leverage is going to be extremely harsh on people like me who have made an income source via this industry. Changing leverage will only mean people like us going off shore to invest.

Sent from Yahoo Mail for iPhone

Feedback

From: Tim Eacott [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: responsetoasic@pepperstone.com
Date: Wed, 11 Sep 2019 17:21:26 +1000
Attachments: Screenshot_20190911-171521.png (368.47 kB)

Hi,

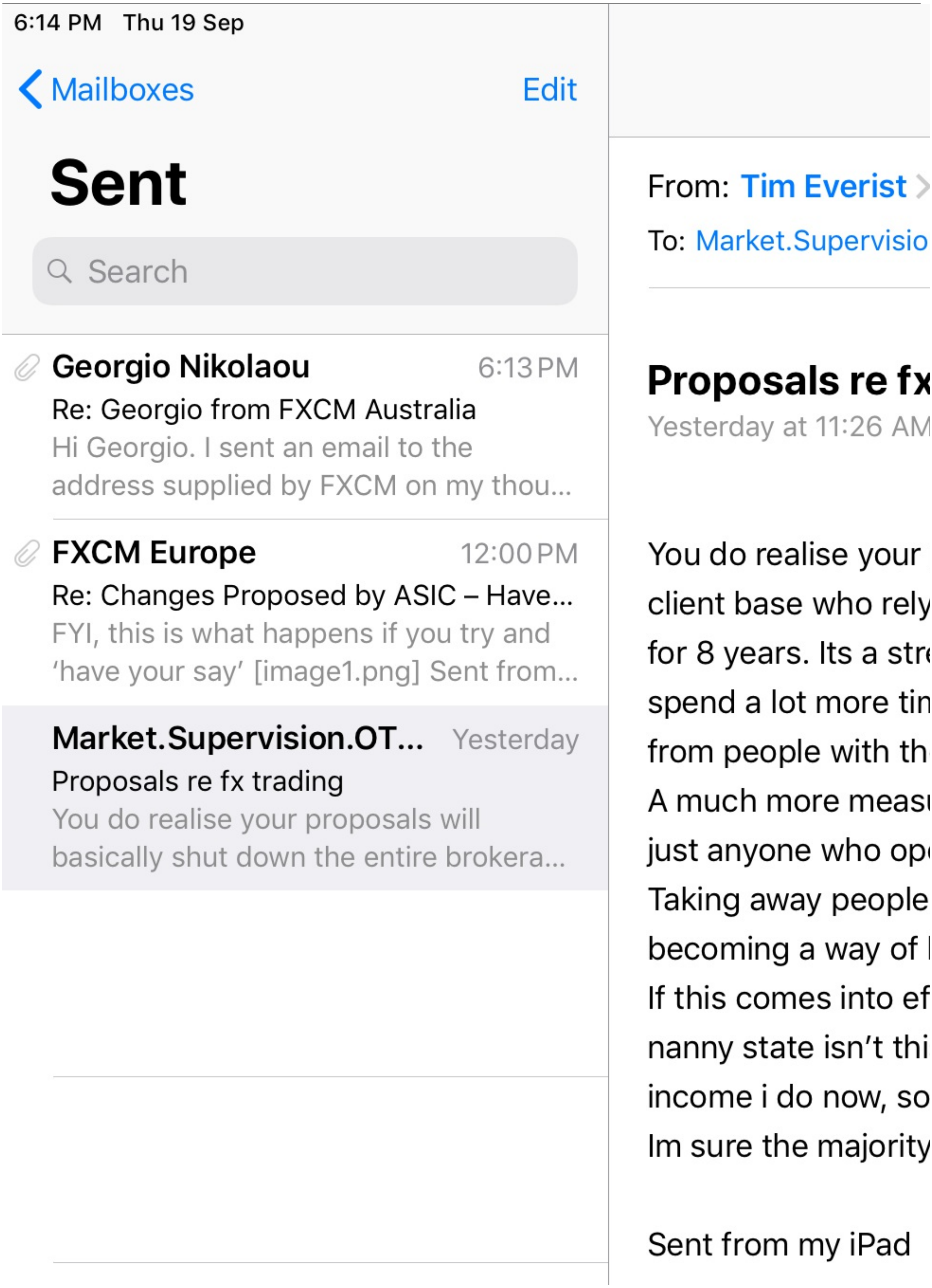
These changes that are proposed are shocking. They are going to force people to leave onshore pepperstone and use less secure offshore companies. I very much do not support this.

Regards,

Tim Eacott

Leverage and trading proposals

From: Tim Everis[redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 19 Sep 2019 16:50:02 +1000


6:14 PM Thu 19 Sep

Mailboxes Edit

Sent

Search

Georgio Nikolaou 6:13 PM
Re: Georgio from FXCM Australia
Hi Georgio. I sent an email to the address supplied by FXCM on my thou...

FXCM Europe 12:00 PM
Re: Changes Proposed by ASIC – Have...
FYI, this is what happens if you try and 'have your say' [image1.png] Sent from...

Market.Supervision.OT... Yesterday
Proposals re fx trading
You do realise your proposals will basically shut down the entire brokera...

From: Tim Everist

To: Market.Supervisio

Proposals re fx

Yesterday at 11:26 AM

You do realise your
client base who rely
for 8 years. Its a str
spend a lot more tin
from people with th
A much more meas
just anyone who op
Taking away people
becoming a way of
If this comes into ef
nanny state isn't thi
income i do now, so
Im sure the majority

Sent from my iPad

Updated Just Now

Sent from my iPad

CFD trading leverage changes

From: Timothy Pakis [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Mon, 23 Sep 2019 14:16:17 +1000

To whom it may concern.
I am writing this as you currently have possibly plans to change the leverage ratios for CDF trading
I have been trading the CFD markets for 4 to 5 years and feel any changes to the leverage rate would actually hurt the smaller account trader more that lager account traders. It would hurt both but more the smaller account holders and limit the opportunities for many others. i understand the concerns Asic may have but changing the leverage ratio rates wont stop foolish people doing rash actions.
Education is the key so people understand the risks involved., You seem to want to punish the people that do have an understanding and have risk management plans for trading to cater for the uneducated and in possibly implementing these changes you are closing the opportunity to many that do understand by educating themselves on how the markets work and Asic may force money to go overseas.
A way to go about limiting the peoples stupidity/foolishness whatever you want to call it is through education and that would be to have some kind of questionnaire with numerous questions about trading CDF and only passing this test would potential traders be allowed to trade live money accounts. Traders need to understand the risks and how to use proper risk management and implementation of these measures
Please don't punish the good traders and educators out there for the sake of the ones that could not be bothered to understand the risks involved.
Like diving in the deep end of a pool and not knowing how to properly swim,.with some basic training you will make it back to the edge safely where you can decide to swim some more or get out of the pool. at least you have a choice .Asic would be taking that choice away for many and that would be to the detriment of many people out there doing the right thing
Thank you for your time.
Tim Pakis

Feedback

From: Tom Zoumboulidis [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: respond2asic@ig.com
Date: Thu, 29 Aug 2019 20:55:31 +1000

I am a retail trader that has been trading CFD products for about 2 years now.

I find proposed margin requirements to be too high, for someone that is experienced but still a retail trader.

50% on crypto assets is extremely high.

I recommend for retail traders to be given the option to pick how much margin they can use, so experienced retail traders can take advantage of low margin, especially for the ones that diversify a long short portfolio and don't concentrate risk.

With high margins like the recommended ones, I understand that this will protect beginners so they are more well capitalised, but it takes away the opportunity for traders with small accounts that know what they are doing to trade big, which slows down the process of building up an account.

Regards

Tom

Proposed changes to cfd leveraging

From: Tong Pine [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 19 Sep 2019 20:27:25 +1000

To whom this may concern,
The proposed changes to CFD leverage ratios would greatly impact the opportunities available to the retail trader , and more importantly your everyday investor t could seek unregistered brokers outside of Australia for their services; as a consequence, i foresee many victims of scams .
The risk / reward would not exist if the proposed changes where to take place, for that was the original reason why the investor took up FX trading in the first place : basically, it's not worth investing the money if the leverage for these instruments where not there.

Please note that the biggest risk is not the leverage but rather the scams of unregistered brokers and lack of risk management -- brokers already have an abundance of warnings about the high risk of CFD / FX trading.
Personally , i don't invest any more than 5% of my capital , and my broker are persistent in educating people of these basic risk management techniques.

In summary, if these changes were to take place then these points are of concern:
- Increase in scam victims cause by investors seeking the needed leverage
- Closer of FX brokers , loss of employment.
- Lack of investment freedom, why do we all have to pile into property to monopolize the needs of other -- that being a place to live.

Please reconsider your proposal.

T
[redacted]

Fwd: Opposed to these changes

From: Tony Amato [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 19 Sep 2019 21:15:59 +1000

To whom it may concern

> Investors have the democratic right to trade how they wish and these changes are not warranted.
> Investors know there risks and are constantly warned, they also should not be trading anything that they can not afford. I therefore strongly oppose these draconian changes.
>
> Regards
>
>
> Tony Amato
> [redacted]
>

Feedback

From: Trent Stevenson [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: respond2asic@ig.com
Date: Fri, 30 Aug 2019 00:36:07 +1000

I use cfds with a guaranteed stop approach to exploit market volatility with substantially reduced risk. This is how I earn my income.

The changes to the cfd limits on equities will dramatically reduce my ability to make a living.

I would suggest that the best approach is to educate those who do not understand how cfds work and the associated risks (and limit advertising) rather than impose unreasonable conditions on those who use cfds properly and within strict risk parameters.

Thanks
Trent.

Feedback

From: Trinh Hong [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: respond2asic@ig.com
Date: Fri, 30 Aug 2019 08:26:11 +1000

Hi, I'm a retail client for IG and would like to still trade CFDs at my own risk. Please do not ban retail clients from trading CFDs.

Cheers
Trin

feedback

From: Tse Arthur [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 19 Sep 2019 15:14:32 +1000

Dear sir

i have been using FXCM for long time trading US indices SP 500, Dow, CFD, OIl, Gold, Silver, Forex and I make money all the the time

i hope leverage remain the same, otherwise i need lot and lot of money in my account which is not good

Regards

Arthur

ASIC Consultation Paper

From: Tsogbuyan D [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: cp322@fpmarkets.com.au
Date: Wed, 18 Sep 2019 12:24:09 +1000

Hello. I did read about your porposed regulation changes. In my opinion, leverage must be as current (1:500) or at least 1:200 for currency pairs. Please don't change the leverage. Thank you.

Sincerely yours, Tsogbuyan.D

Feedback

From: Vancho Bonevski [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: respond2asic@ig.com
Date: Fri, 27 Sep 2019 12:52:18 +1000

Dear Sir,
The increase in margin requirement for trading CFD's will be devastating to my ability to earn an income.
I've been trading options and CFD's as a retail trader for 7 years now, after completing several training courses.
Should the proposed changes be introduced, my only option would be to finance the extra margin requirement through other borrowings.
I find this to be a very unnecessary financial burden and a huge restriction on my ability to earn an income through my chosen profession.
I hope that you will reconsider the decision to introduce higher margins for CFD trading.
Thank you
Vancho Bonevski

Please let the currency leverage the way it is!

From: Viv 84 [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 19 Sep 2019 20:37:47 +1000

Hi there,
I am writing this email in order to put my thought, for not to make any change in the currency leveraging.
Currently leverage is upto 400:1 in currency. If the change is made to 20:1 , then my potential for making profit will be highly effected.

I have been trading with fxcm for almost 4 years now. As the leverage is currently good,thsts why we dont need to put a lot of money in our trading account. As we all know, if the broker go solvent, we might be able to loose the trading account hence we might end up loosing big amount if the leverage isnt high.
But if the leverage stays the same, then we dont need to keep such big ammount in our trading account hence in solvency, we wont loose bug amount. I think upto 50k only are protected in solvency. What if the account is 100k, in case of low leverage, that trader can loose upto 50k in solvency and thats a nightmare.

So please do not let leverage go this low as we want to keep low account n make higher profit.

Thanks

Feedback to Consultation Paper 322 'Product intervention: OTC binary options and CFDs'

From: Vlad Popov [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Mon, 30 Sep 2019 09:36:07 +1000

Dear Sir/Madam,

In this email I would like to provide feedback to ASIC's Consultation Paper 322 'Product intervention: OTC binary options and CFDs'.

However, before I begin let me briefly introduce myself. I've been trading CFDs for the past 8 years. I have spent thousands of hours studying financial markets and training myself. I have even gone as far as to write my own trading software which I use daily. In short, I'm an active participant of the markets and a long term retail client of one of the Australian CFDs issuers.

Firstly, I would like to say that I understand the rationale behind most of the proposed changes to CFDs trading and I support those changes. There is, however, one point where I strongly disagree with the new proposed rules. I'm talking about leverage ratio limits.

High ratios is what makes CFDs a special tool and attracts traders in the first place. Imposing tighter limits will reduce its attractiveness. As far as I understand this is effectively what ASIC want to achieve and I don't think this is right.

Any tool, used correctly, is a great asset. Use it incorrectly and consequences can be devastating. A humble kitchen knife can both do wonders in chef's hands and kill people. Does it mean that we need to blunt all knives now or forbid them all together? Surely not. I think it is important to understand that the problem is not the tool itself, but how and by whom it is used.

Due to their perceived simplicity CFDs attract certain percentage of I-want-to-get-rich-quick and Oh-it's-so-easy-to-trade-CFDs people. It's those people who mostly lose money. Their mindset and a lack of skills/training are the problem, not CFDs leverage ratios. The last sentence from Paragraph 180 at Page 51 of the Paper perfectly illustrates this.

In my opinion by reducing leverage ratios ASIC most likely will force some of those people to seek 'easy' money elsewhere, most likely in gambling. Why? Because of those people's mindset. They believe that they can make millions pressing a few keys/buttons on a keyboard or a slot machine and CFDs leverage ratios have nothing to do with this. In other words, if someone is willing to risk their money in order to make more money, they will find a way to do so. Be it betting on horses, gambling in a casino, playing lottery or trying to trade 'easy' CFDs. And no amount of government regulation can stop this. Because it goes against human nature. Even complete ban by government authorities of anything that is deemed 'detrimental' to people will simply create a black market for those kinds of products/activities. There are plenty of examples in the recent history of mankind.

Also, I would like to question ASIC's definition of what is 'detrimental' to people. According to the Paper, total losses from CFDs trading were around $1B last year. Compare this with $23.7B lost in gambling in 2016-2017. However, traders can reduce their losses by improving their skills whereas gamblers leave everything to chance. Another example is $20.7B spent on tobacco products in Australia in 2018. Both gambling and smoking have no financial benefits for people and are far more serious problems than CFDs trading. This is to demonstrate that there are products/activities that represent much higher risks for the society unlike CFDs trading which serves legitimate purpose.

My view is that lower leverage ratios may do more harm than good.

a) They will make it harder for an average trader to achieve their goals.

b) They will force some traders to close their accounts and spend their money elsewhere and there is a chance that the money will simply be wasted in some kind of gambling. Thus the main ASIC's goal of helping people save their money won't be achieved.

c) Considering that the proposed maximum leverage ratios are tougher than in some other jurisdictions, lost clients can open new accounts offshore and start trading there. However, this may expose traders to even higher risks and less protection comparing with what they have now.

d) Reduced client base will cause CFDs issuers' profit to shrink. Most likely this will result in them ramping up their fees in order to compensate for the loss. This will hit remaining clients even harder.

With this in mind, I would like to propose less traumatic actions for ASIC to consider in order to reduce CFDs traders losses.

a) Set maximum leverage ratios at the 50:1 level.

b) Legislate that any new trader must first complete a trading course and/or paper trade for 1-2 months. This should prevent novices from trading live if they cannot achieve positive results during their training. In other words, traders should have no choice but to educate themselves first.

It seems to me that the above suggestions would better address ASIC's concerns and will be a lesser shock to the whole CFDs trading community.

Sincerely yours,

Vlad Popov

Feedback

From: warren rodrigues [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: responsetoasic@pepperstone.com
Date: Thu, 19 Sep 2019 08:47:52 +1000

To whomsoever it may concern,

I am strongly against this move by Asic to specifically change the leverage on trading forex.

Given market volatility often times your stops get taken out by big players hence the need to take short term trading opportunities which results in greater success.

--
Cheers!!!

W[redacted]drigues
[redacted]

CP 322 Submission

From: Wayne [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Wed, 25 Sep 2019 16:28:24 +1000

Consultation with ASIC re changes to CFD trading conditions by retail clients.

I offer the following feedback to ASIC for consideration in relation to potential changes for retail clients trading CFDs.

Margin Changes Proposed for Retail Clients.

1. Retail clients will be greatly impacted by the proposed changes, particularly, the very large changes to margin requirements.

2. Trading requires capital, training and significant skills development over time. Retail clients use CFDs and limited capital to develop those skills and increase their capital over time with the ability to trade a wide range of markets on offer through CFDs.

3. The significant increases in margin requirements for retail clients will be grossly unfair and inequitable, essentially because they have less capital.

4. CFDs may no longer be a useful vehicle for retail traders if margin rates are increased to the extent proposed.

5. Retail clients will be greatly restricted in their ability to diversify trading and protect capital using CFDs, when they should be provided with greater potential for diversification and protection of capital.

6. CFDs are a highly desirable tool to allow retail traders to progress from a small capital base while having a wide range of markets to participate in. This ability will be severely curtailed if margin rates were increased as proposed by ASIC, creating a significant division between retail traders and those who have no restrictions on their CFD margins.

Training and Development.

1. Promotion of trading and the appropriate money management is surely the more logical approach to managing the use of tools such as CFDs than the broad-brush approach of just ramping the margin requirements for retail traders.

2. Typically, everyone has superannuation over their lifetime and long-term education for the management of that wealth is logical and essential. Not everyone would want to be a trader but the education and tools to manage capital is highly desirable.

3. I would recommend the creation of an education, skills development, qualification and experience validation process to demonstrate that traders can trade and manage risk before being able to trade CFDs. The basis of some of these skills are already available from many CFD providers but there is no structured process available to assess and qualify the skills.

Recommendation

ASIC should not create a higher margin requirement specifically for retail traders as it is fundamentally unfair to force such restrictions on those less able to meet those requirements and limiting the tools and markets available from using CFDs to manage their trading portfolio.

ASIC should focus on creation of an education and trading skill qualification and experience confirmation regime for retail traders rather than greatly increasing margins. Increasing margins will potential force retail traders to either abandon or trade fewer instruments, and greatly limit their ability to diversify and take advantage of the markets available to trade using CFDs.

Wayne Gale

Retail CFD Trader

Feedback regarding proposed changes to CFD trading

From: Wayne Sandy [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: cp322@fpmarkets.com.au
Date: Thu, 19 Sep 2019 12:36:04 +1000

Dear Sir or Madam,

I trade as a hobbie using algorithm's & make some income from this trading. I am shocked at the proposed changes to leverage rates.
As I don't have a huge account it will be impossible for me to trade using the proposed leverage rates. It will tie up so much cash I will be better off investing in shares & leave in the bank.

If your intention is to destroy the CFD industry you have certainly devised a recipe to do that.

I trade oil arbitrage - up to 10 lots at a time. Under the changes with my account size I will be able to trade 1 Lot only. That would be a complete waste of time & not worth any effort.

Perhaps you can consider I higher leverage rate for advanced traders. This could be based on time trading eg. a higher leverage rate for traders with a least 12 or 24 months trading history or some other method of competency.

Regards Wayne Sandy
[redacted]

Proposed changes to CFD Trading

From: Wayne Sandy [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Fri, 20 Sep 2019 01:25:40 +1000

Hello ASIC,

I am an experienced algo trader who makes an income from CFD trading. The proposed changes will provide better protection for inexperienced traders, however they are disastrous for professional traders. The changes will destroy the incomes for successful traders as account sizes will need to be around 10-20 times their current level in order to produce the same income.

Please think carefully how you can better serve experienced successful traders who don't need these changes. Please do not destroy our income.

Leverage Rates
Changes to leverage rates will cause the most damage. These changes are extreme eg. 500:1 becomes 20:1. This is a crude sledge hammer approach without any phased introduction that will remove most of the income earned by professionals. Consider yourself - how would you feel about a 90% pay cut.

The one size fits all approach is not appropriate & totally unfair. Please consider a different approach for professional traders.

Regards Wayne Sandy
[redacted]

ASIC Consultation Paper

From: wes thomas [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: cp322@fpmarkets.com.au
Date: Wed, 18 Sep 2019 22:01:20 +1000

To whom this may concern,

I am writing about the proposed changes released in the consultation paper. The leverages restrictions would affect my trading and stop me being able to trade. For this reason I urge for you to keep leverage rates the same on the currency pairs and gold.

Regards

Wes Thomas

CFD's proposed market intervention

From: William Watson [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>, aron.marton@pepperstone.com
Date: Thu, 12 Sep 2019 12:34:39 +1000

I am writing this email in an effort to express my deep concern regarding the market interventions ASIC are proposing

A little about myself, I am a 73yo retiree operating a SMSF and am trading CFD's (Forex) utilising Pepperstone as my broker. Yes I have lost money however my trading is overall successful and is now generating an average of approximately $300 to $500 per week income which is essential to maintaining my life style in retirement

I have two major concerns regarding the proposed interventions:

1. Reducing the Margin to a maximum of 20:1
My trading involves a balance of ~$5000 with all profits withdrawn weekly or monthly. I do use a 500:1 margin however rarely if ever is the max. margin ever used and I could easily operate on a 200:1 margin however I can state categorically that I could not trade with a 20:1 margin account
2. Closing an Account at a 50% Balance
Am not too sure how this would operate as the Balance and the Equity on my accounts are constantly changing and, in the US session, it is changing very rapidly. If my account dropped down to 49% and instantly rebounded yet was closed it would cause an instant 50% loss, a loss that would NOT have happened if this intervention was not en-acted. I thought that ASIC were en-acting interventions to prevent loses happening yet this intervention will basically lockin loses that, under normal trading conditions, would not happen.

I firmly believe that ASIC should do more to regulate the industry and protect the small retail investors. However, in en-acting such draconian interventions, ASIC needs to be very aware of the requirements of the small traders it is trying to protect and it is my firm belief that, in their present format, the proposed interventions illustrates a total lack of this awareness.

Unfortunately if en-acted in their present form, it will force many if not all retail investors to seek out unregulated overseas brokers which would be an unfortunate consequence of ASIC's intervention.

My recommendation would be to bring in a max 200:1 margin and drop the closing of an account when the equity drops below a figure of 20% to 30% of the balance, this would make retail investing inherently safer and allow the retail investor to remain trading under the protection of the ASIC regulations, this surely must be an aim of ASIC rather than to drive them overseas into a unregulated environment!!!

Proposed Changes - CFD's and Forex Trading

From: Winfried Meyer [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Fri, 20 Sep 2019 14:55:50 +1000

Dear Sir/Madam,

It wish to lodge my disapproval and objection to the proposed changes you wish to potentially Implement on trading CFD's and Forex in Australia.

Firstly, I am retired and use trading as a supplement to my income, should the proposal as it reads now be implemented I would have to stop trading as you are making it impossible for the small trader to trade profitably, not only is the new proposal clearly biased to the wealthy (Exemtion for people with Assets above $2,500,000) but also extremely risky for the us smaller traders setting a margin call limit at 50% of margin not to mention 20:1 leverage. might as well be 1:1

Could someone with a clear understanding of your intentions please reply to this letter explaining exactly who your department is trying to protect with this legislation. In my opinion it is definitely not the trading and investing community of Australia.

Should you require further details and Explantation of my objection please do not hesitate to contact the writer.

Kind Regards,

Winfried Meyer

[redacted]

leverage change

From: xinyuanyu [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 12 Sep 2019 19:01:19 +1000

Dear officer:

I've been trading forex with high leverage for over 5 years

I think it benefit the trader to have high leverage

If you reduce the leverage, I can no longer trade under asic regulation.

Which force me to open account under less secure brokers

My equity safety will be a much higher risk issue

King regards

--
[redacted]

[redacted]

Feedback

From: Yang Leng [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: responsetoasic@pepperstone.com
Date: Wed, 11 Sep 2019 21:47:35 +1000

Hi ASIC,

I am writing this email in regarding the recent proposal that ASIC plan to make especially the leverage cap that may be imposed in the near future. I understand that it may eliminate some risks for the new traders but for myself that already trade for more than 5 years it will be significantly affected my trading opportunities by the new rules. So my opinion is that cap the currency pair and Gold leverage to 100:1 and we could enjoy more opportunities and at the mean time the broker's volume won't be significantly affected.

As you all know that Broker make money from the volume we trade, if ASIC change the rules to cap the leverage I believe it will eventually have the negative impact for the performance of those companies and lead to them cut the employees.

Thanks for your consideration.

Kind Regads

Yang

Consultation Paper 322 Feedback

From: Yan Loh [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: respond2asic@ig.com
Date: Wed, 25 Sep 2019 13:33:21 +1000

Hi,

I am writing to give some feedback regarding Consultation Paper 322, Product Intervention: OTC binary options and CFDs.

I am a current retail investor who trades CFDs, and I do not believe the leverage restrictions for CFDs outlined in the paper are necessary. Retail investors should be allowed to trade with the amount of leverage that they're comfortable with. Rather than a 'blanket' restriction of leverage, CFD providers should provide an option for individual investors to easily adjust the amount of leverage they want to use in their trading accounts. This would allow investors to individually adjust leverage to a level suitable for them, instead of making the restrictions across the board.

Thanks for your time and consideration.

Regards,
Yan

From: [redacted]
To: Market supervision - OTC
Subject: Re: Market Supervision issue with ASIC and a suggestion
Date: Sunday, 10 May 2020 10:37:07 PM

EXTERNAL EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe.

I forgot to add, another way to reduce the chance of Flash Crash manipulations is to enforce the margin call rules. for example, a price when crashed should be there more than few milliseconds for example at least 1 min and should allow enough time for users and arbitragers to put the price back up and in this scenario, retail trader's position should not be liquidated. for example, if price suddenly drops from $20 to $2 and within a few milliseconds goes back to $20 . its really a noise. however, this will liquidate someone's position and lead to a significant loss. however, ASIC should put some rule around this and say the position should not be closed unless the crash stays more than 15 min and CFD Broker should allow and enable arbitragers to take advantage of this flash-crash through API. this way the retailer's position will stay still land he/she doesn't lose his/her lifetime saving on few seconds price manipulation.

Other ways are, ASIC should integrate and monitor all instruments from every broker, and through some monitoring tools detect this kind of flash crashes.

Also putting every price on the blockchain will help backtrack and auditing as some brokers might do price manipulation for a few mili-second on someone's position and this "custom price" might not be visible to ASIC or anyone else. so enforcing brokers to write every tick price on an immutable blockchain will allow ASIC and court to go back to the source of truth and detect a breach. technically, if the price is not recorded on the blockchain, then no trade should be recorded or executed on that price. this will allow people to have peace of mind about the price honesty of a broker.

Thank you again, compliance team, to read my email and sorry if my English was a bit substandard, I hope I was able to pass my messages and I hope there will be actions on your side on my suggestions and ideas. Let me know if you want more info or you want to catch up face to face, I will be delighted to help you guys to supervise this wild market better for the benefit of all Australians.

Regards,
Yousef Hosseini
a concerned citizen.

On Sun, 10 May 2020 at 22:19, Yousef Hosseini [redacted] wrote:

Dear Sir/Madam,

I would like to make a suggestion that will improve the safety and integrity o the CFD market for retailers, As outlined by ASIC's discussion paper more than 60% of CFD investors are losing money and give my 15 years of experience with CFD trading and my technical background with the building exchange market places, I can explain why and the solution.

Main Reason why retail traders in CFD market are most likely will lose money: CFD as Contract for Difference is a way to enable betting on the price of anything including currencies, Crypto's Commodities, Indexes, etc . obviously CFD issuers want to see a balance of buy and sell in the market in both directions and they benefit from spreads and the more up and down, the more they make money. The actual price point of an instrument in CFD market has to be linked to an externally listed asset. for example for WTI Cash Price offered by CMCMarket, this price should reflect an underlying contract say in CME / NYMEX Exchange in NY.

When there is one-way predictive pressure in the market, Say retailers will all sell WTI Cash, the CFD price drops against the exchange-traded price and we have big gap between the CFD price and the actual price of the underlying asset . in this example as we speak price of WTI Crude Cash is around $9.6 in CMC Market, but the Cash price in NYMEX exchange (underlying asset) is $26. as you can see there is a significant difference (around 300%) between CFD and actual exchange-traded commodities. Assume there are 1M contracts of Buy on WTC Cash on CMC Market. Given the nature of this obvious opportunity, CMC market either should play honestly and give away over $3M profit to retail traders from his own pocket or try recover and save its exposure, alternatively, they need to apply a flash crash and recovery (which is illegal its price manipulation) to the price and put all heavy bets on margin call and quickly spike up the price to an external point of reference and that's what most of the CFD players are doing. As you can see in the trends there are a lot of Flash and quick down and ups. that's like shaking off the market and killing all large bets. This is the scenario where most of the retail traders where they don't have big margins to maintain their position and pass the flash crash will lose.
Solutions:
1- ASIC to enforce CFD brokers or issuers to offer real-time live API to the arbitragers. Arbitragers will take the opportunity of the flash movements and also they fill the gap between CFD price and the actual product, obviously, they make a lot of money but CFD players hate them because it defeats their Flash crash strategy. because of this, CFD Brokers won't allow their traders to do arbitrage.

FACT: "IF Market doesn't allow arbitrage, the price in that market can be manipulated "

IMHO, ASIC should enforce that CFD brokers should have real-time trading API and should allow arbitrage to happen or they are subject to price manipulation.

In some scenarios, CFD Brokers will do market manipulation, for example they close one direction of a trade, in our example, CMCMarket doesn't allow users to buy WTI June. or sell it, given users can arbitrage between Cash Price and June price.

my conclusion is:
Enforcing brokers to have honest market-place will push them to have real-time API and its a great way to safeguard retail investors and bring fair and honest prices to the market.

Another fact to consider is: CFD's are not financial products and they are nothing but a betting contract and CFD brokers are really bookkeepers. CFD issuers should not advertise or present their gambling platforms as a trading platform or financial market place as this will mislead traders and leads them to a significant loss. because the knowledge a trader will seek and mentality is to invest in the financial market whereas there is no underlying asset and its absolute gamble. This also highlights that ASIC has miscategorized these platforms as Financial Market places providers and these brokers don't have a gambling operator license.

Thank you for reading my suggestions and please consider them carefully as I have lost a lot of money with many CFD providers including CMCMarket, FXCM, FOREX.com, etc and learned these in a hard way and hoping ASIC will consider these items and save Australians from consequences of losses.

Regards,
Yousef Hosseini
[redacted]

Strongly oppose to the proposal of changes to CFD Leverage Ratio Limits!

From: zhe wei [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Date: Thu, 19 Sep 2019 20:23:03 +1000

Strongly oppose to the proposal of changes to CFD Leverage Ratio Limits!

Feedback

From: Zoe Marriott [redacted]
To: Market supervision - OTC <market.supervision.otc@asic.gov.au>
Cc: respond2asic@ig.com
Date: Wed, 25 Sep 2019 02:09:33 +1000

I strongly disagree to proposed leverage changes that ASIC is suggesting regarding CFDS, currencies and commodities.

I do not qualify as a wholesale investor and yet I have been trading from home for over ten years starting from a small base from which to derive income.

I do not trade aggressively day to day but I do require significant leverage to sit on longer term held positions of 4 weeks up to several months in order to capture moves by less speculative stocks.

Changing the margin requirements will price me out of the market.

There are significant warnings about trading CFDs and leveraged products and an abundance of paperwork that is required to justify if an retail investor is suitable as it stands.

If people trade these instruments and lose significant money then that is something for which they should own. It is simply a case of buyer beware.

There is no reason why people who do understand the risk of derivatives and financial products should be penalised due to speculators who are irresponsible in obtaining education of how to trade them successfully.

These changes are a joke when compared to how big the gambling industry in Australia has become where the real speculators exist.

ASIC, leave the margin rates as they are.

If you want to avoid people losing money in Australia you would focus your attention on:
1) prosecuting rogue company directors (NEWSAT or BBY),
2) large corporations such a banks which rob people and have NO consequence against them,
3) target scam corporations such Capital Alternatives (estimated $10million Australian dollars, $200million pounds in the UK), whereby the directors syphoned money out of the project to fund their lifestyles. (The FCA is prosecuting directors in the High Court and has seized all assets and jailed the directors. Meanwhile ASIC did nothing to help local investors caught up in the Australian registered company).

The FCA in the United Kingdom is proactive at holding LARGE corporations accountable for greed and theft of retail investors money, when will ASIC pull its fingers out and do the same?