

From: [REDACTED]
To: [Comments, Public](#)
Subject: FINRA Regulatory notice 22-08 Comments
Date: Friday, April 29, 2022 4:37:16 AM
Attachments: [FINRA Regulatory notice 22-08 comments.docx](#)

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Good Morning,

Please see attached/below my comments on FINRA Regulatory notice 22-08:

To Whom it may concern,

I as an international investor who hold securities listed in the USA, I am emailing you to place my comments on FINRA Regulatory notice 22-08. I use both options and complex products such as SQQQ etc as a part of my investment strategy to hedge my portfolio against risk of downturns in the wider markets. In the current volatile conditions of the US and other markets this strategy has proven useful in protecting my long-term investments & overall account liquidity and I intend to continue using this strategy for the foreseeable future.

This notice highlights concerns of the apparent lack of education retail investors have on such instruments and in my opinion feels like a stepping stone to introduce more rules and regulations that do not favour retail market participants. Retail investors should not be “protected” from themselves any more than how the current system restricts their ability to trade alongside institutions. The core argument of this notice implies that the retail investor is not educated enough to use these instruments. This is fundamentally wrong for the following reasons:

- There are many places one can go on the internet to find out both the basics and more information on these instruments often for free such as Investopedia, the SEC website and through various communities such as subreddits and YouTube channels.
- This notice implies that more restriction by brokers is required, this again is wrong. Many brokerages already require users to pass a knowledge test when they first intend to trade these instruments, and also provide key information documents on these instruments and other educational tools for those that want to learn more.
- In addition to the point above, limitations to retail investor account’s net worth to trade these instruments is not necessary. Many retail investors use cash accounts and therefore do not put themselves in a position where they can lose more than what they originally invested. In the US retail investors are already at a major disadvantage from this from the Pattern Day Trader (PDT) Rules and therefore wealth restrictions should not be expanded.

This list is not exhaustive by any means. In conclusion I believe there should not be any more restrictions on retail investors abilities to trade options and complex instruments. Furthermore, the United States prides itself on being a “free and fair” market, if this is so, then smaller market participants i.e. retail investors should be able to operate on a more level playing field with the larger institutions. Restricting retail investors’ ability to hedge their portfolios and take on speculative positions (which is a legitimate investment strategy) is not the answer.

What is needed is more market transparency. To this end I hope this proposal is dropped.

Yours Sincerely,

A UK Investor.