I do not think it is wise to prohibit options trading in IRA accounts. First, options trading if done properly can increase the IRA's yield with little risk if the trading is done on shares of very strong companies. Secondly, brokers already have in place rules that prevent someone from making a risky trade. For example, selling naked call options are not allowed by brokers for obvious reasons. Likewise, trading naked puts on margin is not allowed. Thirdly, most people are too scared to trade options. This leaves mostly people who understand options trading them in their IRA accounts.