

From: Alan Brown

Sent: Friday, 27 January 2012 11:06 AM

To: Client Money

Subject: Comments on discussion paper ""Handling and Use of client money in relation to over-the-counter derivatives transactions"

I have been a DMA CFD trader for some 4 year and was also a client of the failed MF Global CFD provider.

I would welcome tighter controls on the CFD providers in relation to the use of clients money. I can not see why a T+3 settlement via an individual clients account model would not work in the DMA CFD industry , Exactly the same settlement procedures as is used with the settlement of "Fully Paid Ordinary Securities" FPOS via a CHESSE style central registry.

The currently DMA CFD industry in its current format is teetering on the edge of failure, in my opinion , with the traders reducing their trading capital ( exposure to provider risk) and holding their breath "hoping" that another provider does not fail.

Tighter regulation of this industry is urgently need and that regulation should be no less than is currently imposed on a standard online broker.

I believe the DMA CFD trading community would pay a little more per transaction to ensure their money was in an individual account in their name and could be accessed for no other reason other than to settle a trade.

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