From: Peter Johnson

Sent: Friday, 27 January 2012 10:31 AM

To: Client Money

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

To whom it may concern,

My name is Peter Johnson, and I have been trading full-time for a number of years.
I mainly trade shares, but I also use CFD's , especially to hedge and trade on the short side, as most online share brokers no longer provide short-selling facilities.

I agree with the submission made by Alan McGrath.....that is that any legislation that threatens the viability of DMA model CFD providers is bad legislation.
I too do not want to return to using a "market maker" CFD provider, where my interests are diametrically opposed to those of my provider. DMA is a much fairer, more transparent way to trade CFD's than the market maker model, which is , in my opinion, heavily weighted in favour of the CFD provider.

As an experienced trader I understand that my CFD provider uses client money to hedge against risk, and am comfortable with that. If disallowing this practice makes the DMA model prohibitively expensive for traders (or for providers to offer), then such a move is not in the interests of those that trade CFD's.

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