**From:** Mick Montgomery <mmontgomery@projectcentral.co.uk>
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**To:** secretary <secretary@CFTC.gov>
**Cc:** cftcfeedback@fxdd.com
**Subject:** Regulation of Retail Forex

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The CFTC proposed new rules are just going to drive MORE business away from the US into other countries and some which will offer less protection, especially for the less knowledgeable and new traders. We have already had financial firms that have moved their business out of the US due to the high liquidity requirements making it uncompetitive to operate from the US, in tying up too much capital. We have moved accounts from US firms where the FIFO rules meant that some of our strategies would not work because a slightly different time frame for the trades closed out the wrong transactions.

Are you just trying to close down the US market to all the smaller investors and traders and only keep it for the large ones? We know the risks and use appropriate limits and money management protection to reduce any possible losses. It would make more sense to limit the size of any one trade to a percentage of the value of the account. We have never placed a trade for more than 1 or 2 percent of the account. Maybe for some 5% or even 10% (in some cases) of the account is ok, but it would protect more if that was enforced.

If you would concentrate on the issues that caused the failures to happen in the first place, we will not be placed in this situation again – Was it the forex market that caused this problem or the mortgage lending and packing up of mortgages as secondary instruments to trade who's underlying value could not be relied upon.

There again, if you do continue with this rule, then it can only be good for the London market to keep its position, as long as we get rid of that muppet Brown who is just as guilty as Clinton in relaxing the rules in the first place.

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