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ARTHUR F. BELL, JR. & ASSOCIATES, L.L.C.

COMMENT

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August 7, 2000

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulatory Reinvention;
Federal Register: June 22, 2000 (Volume 65, Number 121)

Dear Ms. Webb,

Arthur F. Bell, Jr. & Associates, L.L.C. is pleased to have this opportunity to respond to the Commodity Futures Trading Commission's (CFTC's or Commission's) request for comments on proposed rules set forth in the Federal Register regarding Regulatory Reinvention.

Arthur F. Bell, Jr. & Associates, L.L.C. is a Certified Public Accounting firm serving the futures industry for approximately twenty years. The firm has over two hundred clients involved in derivative and equity trading as Commodity Trading Advisors (CTAs), Commodity Pool Operators (CPOs), Futures Commission Merchants (FCMs), Introducing Brokers (IBs), Registered Investment Advisers (RIAs) and similar capacities. Members of the firm are involved in numerous industry committees, and Mr. Bell is a member and former Director of the Managed Funds Association (MFA), a member of MFA Government Relations Committee, Futures Industry Association (FIA), National Futures Association (NFA) Special Committee, the CFTC Global Markets Advisory Committee, the UK Pension Research Accounting Group, Advisory Panel of Futures Industry Law Letter and various other similar industry groups. Mr. Bell is also on the Editorial Advisory Board of *Futures Industry Magazine* and on the Board of Editors for the *Futures and Derivatives Law Report*. The firm's experience and industry involvement are the basis for substantial interest in the proposed rules.

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We applaud the Commission in proposing a new regulatory framework, which would replace significant aspects of the existing regulation with broad, flexible "Core Principles." However, we believe that the proposals should extend beyond the current proposals to significant participants in the futures industry: Commodity Pool Operators (CPO's) and Commodity Trading Advisors (CTA's). Although we recognize that the Commission plans on considering further rulemaking proposals at a subsequent date that may focus more directly upon Part 4 of the Commission's rules (65 CFR 39009). We encourage the Commission to act expediently to address the regulatory framework of CTA's and CPO's in its regulatory reform project. We believe that the regulatory framework of CTA's and CPO's must be approached with the same flexibility under the "Core Principles" concept as the current proposed rules.

Thank you for considering our comments. If you have any questions or would like to discuss them with us, please call Arthur F. Bell, Jr. or Ross A. Ellberg at (410) 821-8000.

Sincerely,

Arthur F. Bell, Jr. & Associates, L.L.C.
Arthur F. Bell, Jr. & Associates, L.L.C.