

August 31, 2021

**Via Email (secretary@cftc.gov)**

Mr. Christopher J. Kirkpatrick  
Secretary  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

Re: National Futures Association: Proposed Amendments to NFA Financial Requirements Section 18 Swap Dealer and Major Swap Participant Requirements

Dear Mr. Kirkpatrick:

Pursuant to Section 17(j) of the Commodity Exchange Act ("CEA"), as amended, National Futures Association ("NFA") hereby submits to the Commodity Futures Trading Commission ("CFTC" or "Commission") the proposed amendments to NFA Financial Requirements Section 18. On August 19, 2021, NFA's Board of Directors ("Board") unanimously approved the proposed amendments.

NFA is invoking the "ten-day" provision of Section 17(j) of the CEA and plans to make the amendments to NFA Financial Requirements Section 18 effective as early as ten days after receipt of this submission by the Commission, unless the Commission notifies NFA that the Commission has determined to review the proposal for approval.

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**PROPOSED AMENDMENTS**  
**(additions are underscored and deletions are ~~stricken through~~)**

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**NATIONAL FUTURES ASSOCIATION**

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**Financial Requirements**

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**SECTION 18. SWAP DEALER AND MAJOR SWAP PARTICIPANT FINANCIAL REQUIREMENTS**

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(f) Notice Requirements

A Member SD or MSP that is required to file any document with or give any notice to a registered futures association under CFTC Regulations 23.105(c)-(h), (j), and (l)-(m) [Financial recordkeeping, reporting and notification requirements for swap dealers and major swap participants] or receives an approval or a confirmation from the CFTC under CFTC Regulations 23.101 [Minimum financial requirements for swap dealers and major swap participants] or 23.106 [Substituted compliance for swap dealer's and major swap participant's capital and financial reporting], shall also file one copy of such document with and give such notice to NFA, or provide such approval or confirmation to NFA, in a form and manner required by NFA, no later than the date required to be filed with or given to the CFTC or the registered futures association, as applicable. A Member SD that receives any notification, order, or regulatory restrictions limiting or prohibiting the Member SD's use of internal models under CFTC Regulation 23.102 shall also immediately file one copy of such notification, order, or regulatory restriction with NFA, in a form and manner required by NFA.

(g) Additional Reporting Requirements For Capital Models

A Member SD that is required to comply with the additional reporting requirements for SDs approved to use models to calculate market risk and credit risk for computing capital requirements under CFTC Regulation 23.105(k) will satisfy its NFA filing requirement by providing the information specified by NFA in the form and manner required by NFA.

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**EXPLANATION OF PROPOSED AMENDMENTS**

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Swap Dealers (SDs) that use NFA or CFTC approved internal capital models to calculate market and/or credit risk capital charges are required to file certain information specified in CFTC Regulation 23.105(k) with NFA and the CFTC. NFA Financial Requirements Section 18 also imposes these filing requirements on NFA Member SDs using approved capital models. NFA's Board has approved amendments to NFA Financial Requirements Section 18 to add subsection (g), which provides that an SD Member that is subject to the filing requirements under CFTC Regulation 23.105(k) will satisfy its NFA requirement by filing the information specified by NFA in the form and manner provided by NFA.

The Board adopted this amendment for two reasons. First, NFA has developed standardized tables to collect the specific information from SD Members. The tables will facilitate NFA's collection and analysis of the information and will also provide SD Members with certainty on the format for filing the information. Second,

NFA has identified certain information required by CFTC Regulation 23.105(k) that is similar in nature to information required under CFTC Regulation 23.105(l). NFA's standardized tables will not collect the information required by CFTC Regulation 23.105(k) that is similar to the information that NFA will collect pursuant to CFTC Regulation 23.105(l). NFA will notify SD Members of the standardized table format and specific information that will be required through a Notice to Members.

The Board also approved an amendment to NFA Financial Requirements Section 18(f) to eliminate reference to CFTC Regulation 23.105(k) since it is now covered in a separate subsection (g).

NFA's Swap Participant Advisory Committee supported the proposed changes to NFA Financial Requirements Section 18, which as mentioned above, was unanimously approved by NFA's Board. As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the CEA. NFA intends to issue a Notice to Members establishing an effective date for the proposed amendments to NFA Financial Requirements Section 18 as early as ten days after receipt of this submission by the Commission, unless the Commission notifies NFA that the Commission has determined to review the proposal for approval.

Respectfully submitted,

A handwritten signature in black ink that reads "Carol A. Wooding". The signature is written in a cursive, flowing style.

Carol A. Wooding  
Senior Vice President and  
General Counsel