

June 25, 2015

Via Federal Express

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: Board Structure and Composition –
Proposed Amendments to NFA Articles of Incorporation*

Dear Mr. Kirkpatrick:

Pursuant to Section 17(j) of the Commodity Exchange Act, as amended, National Futures Association (“NFA”) hereby submits to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the proposed amendments to NFA's Articles of Incorporation ("Articles") regarding NFA's Board of Director's ("Board") structure and composition. NFA’s Board approved the proposal on May 21, 2015, and NFA respectfully requests Commission review and approval of the proposal.

PROPOSED AMENDMENTS

(additions are underscored and deletions are ~~stricken through~~)

**NATIONAL FUTURES ASSOCIATION
ARTICLES OF INCORPORATION**

ARTICLE III: PURPOSES

Section 1: Fundamental Purposes.

Subject to the limitations in Section 2 of this Article, the fundamental purposes of NFA are to promote the improvement of business conditions and the common business interests of persons engaged in commodity futures and swaps or related activity by

- (i) undertaking the regulation of persons that are members of NFA (hereinafter "Members") as set forth in this Article;
- (ii) relieving the ~~Commodity Futures Trading Commission~~ (hereinafter "~~Commission~~") from the substantial burden of direct regulation in such matters; and
- (iii) providing such regulatory services to such markets as the Board may from time to time approve. Actions of NFA to effectuate these purposes may include:

(a) Public Interest.

The adoption, administration and enforcement as to the following persons of requirements regarding fair practice and designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade and, in general, to protect the public interest

- (i) Members that are registered with the Commission as Futures Commission Merchants, Commodity Pool Operators, Commodity Trading Advisors, Introducing Brokers, Leverage Transaction Merchants, Retail Foreign Exchange Dealers, Swap Dealers or Major Swap Participants; and
- (ii) Associates (See [Article XVIII](#)).

(b) Financial Standards.

Notwithstanding the provisions of Section 2(a) of this Article, the adoption with respect to its Members that are Futures Commission Merchants, Introducing Brokers, Leverage Transaction Merchants, Retail Foreign Exchange Dealers, Swap Dealers or Major Swap Participants of financial and related requirements designed to protect against insolvency, bankruptcy, or unsafe or unsound financial condition of such Members; the conduct, directly or through agents, of audits and reviews of the financial condition and related matters of such Members; and the adjudication and enforcement of compliance with NFA's financial and related requirements for all

such Members, except as may otherwise be provided under Commission Regulations: *Provided, however,* it is expressly understood that Contract Markets and ~~clearing organizations~~ Clearing Organizations shall have the right to adopt, administer and enforce financial and related requirements governing the eligibility of Members for membership privileges on such Contract Markets or ~~clearing organizations~~ Clearing Organizations.

(c) Arbitration.

The adoption and administration of a fair and equitable procedure through arbitration or otherwise for the voluntary settlement of customers' claims or grievances against Members described in paragraph (a) above, their employees, and Associates, in accordance with Section 17(b)(10) of the ~~Commodity Exchange Act~~ (hereinafter the "Act"), or claims or grievances of such Members or Associates against customers, or claims or grievances between or among such Members or Associates: *Provided, however,* no such procedure shall apply to the settlement of a claim or grievance where the parties, by valid and binding agreement, have committed themselves to the resolution of such claim or grievance in a forum other than NFA, or where parties having claims or grievances between or among themselves are required by Contract Market rules to submit the controversy to the settlement procedures of such Contract Market.

(d) Qualifications Standards.

The adoption of appropriate standards with respect to such training, experience and other qualification requirements as NFA deems necessary and appropriate to insure the fitness of Members and Associates; the development and administration of written proficiency examinations of Members and Associates; and, with the approval of the Commission, the administration of the registration of Members, Associates and any other persons required to be registered with the Commission. Such requirements, examinations and registrations adopted by NFA with respect to Associates shall, with the consent of each Contract Market Member conducting comparable activities, replace and supplant the requirements, examinations and related activities theretofore conducted with respect to Associates by the Contract Market Member.

(e) Protection of Customers.

Notwithstanding the provisions of Section 2(a) of this Article, the adoption, administration and enforcement of uniform, industry-wide requirements regarding the dealings and relations between and among Members described in paragraph (a) above, Associates and the customers of such Members and Associates, including, without limitation, requirements governing the manner, method, and place of soliciting business, including the content of such solicitations and the form and manner of handling, recording, and accounting for customers' orders, transactions, and accounts.

(f) Doing Business With Non-Members.

The prohibition of Members from carrying accounts, accepting orders, or handling transactions, in commodity futures contracts, for or on behalf of any non-Member, or suspended Member, that is required to be registered with the Commission as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, Introducing Broker or Leverage Transaction Merchant and that is acting in respect to the account, order, or transaction for a customer, a commodity pool or participant therein, a client of a commodity trading advisor, or any other person, unless

- (i) such non-Member is a member of another futures association registered under Section 17 of the Act or is exempted from this prohibition by the Board or
- (ii) such suspended Member is exempted from this prohibition by the Board or a committee thereof.

The prohibition of Members from accepting orders in commodity futures contracts to cover leverage transactions, for or on behalf of any non-Member, or suspended Member that is required to be registered with the Commission as a Leverage Transaction Merchant, unless

- (i) such non-Member is a member of another futures association registered under Section 17 of the Act or is exempted from this prohibition by the Board or
- (ii) such suspended Member is exempted from this prohibition by the Board or a committee thereof.

(g) Corporate Powers.

The purchase or other acquisition, and the holding, owning, maintaining, working, developing, selling, leasing, exchanging, hiring, conveying, mortgaging or otherwise disposing of and dealing in, lands and leaseholds, and any interest, estate and rights in personal property, and any personal or mixed property, and any franchises, rights, licenses or privileges necessary, convenient or appropriate for any of the purposes herein expressed; the borrowing of funds for NFA's purposes and the pledging of real, personal or mixed property in connection therewith; the institution and defense of suits in NFA's name, and the settlement or compromising of any claim or controversy by or against it; and, subject to the delineation of purposes recited herein and the limitations set forth in Section 2 of this Article, the carrying out of all and everything necessary, suitable or proper for the accomplishment of any of the purposes, or the attainment of any of the objects, or the furtherance of any of the powers hereinabove set forth, and the performance of every other act or acts incident or appurtenant to, or growing out of, or connected with the aforesaid business or powers, or any part or parts thereof, and the exercise of all or any of its corporate powers or rights in the State of Delaware and in the various other states, territories, and dependencies of the United States, in the District of Columbia and in all or any foreign countries.

Section 2: Contract Markets.

(a) Non-applicability of NFA Rules.

No NFA requirement shall purport to govern or otherwise regulate the specific conduct of a Member or Associate if such conduct is governed or regulated by the requirements of a Contract Market and such Member or Associate is subject to the Contract Market's disciplinary jurisdiction for such conduct.

(b) Prohibition Upon Adoption of Certain Rules.

NFA shall not adopt, administer or enforce upon any Member or Associate a rule, standard, requirement or procedure which purports to govern or otherwise regulate any of the following:

- (i) The minimum level or margin required for any futures or swaps contract or type of futures or swaps transaction, the method for calculation thereof, or compliance therewith, unless such rule, standard, requirement or procedure conforms and is not inconsistent with applicable Contract Market requirements.
- (ii) Eligibility for membership in, clearing privileges on, or service on the governing board or committees of, a Contract Market
- (iii) The rights, privileges, duties or responsibilities of membership in any Contract Market or ~~clearing organization~~ Clearing Organization.
- (iv) The content, interpretation, administration or enforcement of any rule, standard, requirement or procedure of a Contract Market or ~~clearing organization~~ Clearing Organization.
- (v) The conduct of business or other activities on the trading floor of a Contract Market.
- (vi) The terms or conditions of any futures contract.
- (vii) The terms or conditions of any swaps contract; provided that such terms or conditions conform to and are not inconsistent with applicable Contract Market requirements.

Section 3: Communications With Legislative Bodies.

NFA shall not communicate any statement as its official position, view or opinion to a legislative body on any matter pending or contemplated to be pending before such body, except with the prior approval of the Board.

ARTICLE VII: BOARD OF DIRECTORS

Section 1: General.

The duties of the Board of Directors shall include the management of NFA's business, the adoption of NFA's Bylaws, and the fulfillment of NFA's fundamental purposes.

Section 2: Composition of the Board until the Annual Meeting of the Board of Directors Held in February 2016.

Until the regular annual meeting of the Board of Directors as set forth in Bylaw 506 (hereinafter "regular annual meeting of the Board" or "Board's regular annual meeting") held in February 2016, the Board of Directors shall be comprised as follows:

(a) Contract Market Representatives.

(i) In the event that there are four (4) or less Contract Market Members having annual transaction volume during the prior calendar year of more than 1,000,000, then one representative of each such Contract Market Member.

(ii) In the event that there are more than four (4) Contract Market Members with annual transaction volume during the prior calendar year of more than 1,000,000:

(a) One representative of each Contract Market Member ranked in the top three (3) Contract Market Members based on annual transaction volume during the prior calendar year.

(b) One (1) elected representative of Contract Market Members with annual transaction volume during the prior calendar year of more than 1,000,000 that are not included in Section 2(a)(ii)(a) above. Only Contract Market Members not represented in accordance with Section 2(a)(ii)(a) shall be eligible to vote for the representatives elected in accordance with this Section 2(a)(ii)(b).

(iii) A specific Contract Market's annual transaction volume shall be the number of commodity futures contracts and swaps contracts entered into on the Contract Market during the calendar year. The number of contracts entered into on a Contract Market shall be adjusted where necessary because of differences in sizes of contracts (e.g., one 5,000 oz. contract for a particular commodity would equal five 1,000 oz. contracts for that commodity for purposes of the computation).

(iv) A Contract Market Member and all Contract Market Members with which it is affiliated shall have no more than one representative on the Board at any one time. For the purposes of this limitation, a Contract Market Member shall be deemed to be affiliated with another Contract Market Member if it directly or indirectly owns 100 percent of or is owned 100 percent by or has 100 percent ownership in common with such other Contract Market Member.

(b) Futures Commission Merchant, Leverage Transaction Merchant and Introducing Broker Representatives.

Nine (9) elected representatives of registered Futures Commission Merchant Members, registered Leverage Transaction Merchant Members and registered Introducing Broker Members, divided as follows:

(i) Seven (7) representatives of FCMs, including (A) at least three (3) representatives of FCMs ranked in the top ten FCMs and (B) at least three (3) representatives of FCMs and LTMs not ranked in the top ten FCMs based on the total of futures customer segregated funds and foreign futures or foreign options secured amounts, as those terms are defined in the applicable Commission regulations, held as of June 30 of the prior calendar year.

(ii) One representative of IBs required to maintain minimum adjusted net capital.

(iii) One representative of IBs not required to maintain minimum adjusted net capital.

(c) Commodity Pool Operator and Commodity Trading Advisor Representatives.

Five (5) elected representatives of registered Commodity Pool Operators and registered Commodity Trading Advisors that are NFA Members, including at least three (3) representatives of CPOs or CTAs that rank within the top 20 percent, one (1) of which must rank within the top 5 percent of CPOs or CTAs reporting any funds under management allocated to futures and swaps (as defined in Article XVIII) on NFA Form PQR and NFA Form PR as of June 30 of the prior calendar year.

(d) Swap Dealer, Major Swap Participant Representatives and Retail Foreign Exchange Dealer Members.

Seven (7) elected representatives of registered or provisionally registered Swap Dealers, registered or provisionally registered Major Swap Participants and registered Retail Foreign Exchange Dealers, divided as follows:

- (i) At least three (3) representatives of SDs that are Large Financial Institutions, as of June 30 of the prior calendar year.
- (ii) At least three (3) representatives of SDs or RFEDs that are not included in paragraph (d)(i) above, as of June 30 of the prior calendar year.
- (iii) One representative of MSPs: *Provided, however*, that if there are no persons willing and eligible to be a representative of MSPs, then one (1) representative of SDs and RFEDs.

(e) Public Representatives.

(a) Effective as of the 2013 annual meeting of the Board, eleven (11) individuals who are Public Representatives (see Article XVIII); and

(b) Effective as of the 2016 annual meeting of the Board, individuals who are Public Representatives (see Article XVIII) shall constitute thirty-five percent (35%) of the Board's voting representatives.

(f) An FCM, LTM, RFED, IB, CTA, CPO, SD or MSP Member and all of its Affiliates (See Article XVIII(b)) shall have no more than one representative on the Board at any one time.

Section 2A: Composition of Board from and after the Annual Meeting of the Board of Directors Held in February 2016.

Notwithstanding anything to the contrary contained herein, the terms of office of all Directors in office shall expire at the regular annual meeting of the Board held in February 2016. From and after the regular annual meeting of the Board held in February 2016, the Board of Directors shall be comprised as follows:

(a) Contract Market Representatives.

(i) In the event that there are three (3) or less Contract Market Members having annual transaction volume during the prior calendar year of more than 1,000,000, then one (1) representative of each such Contract Market Member.

(ii) In the event that there are more than three (3) Contract Market Members with annual transaction volume during the prior calendar year of more than 1,000,000:

(a) One (1) representative of each Contract Market Member ranked in the top two (2) Contract Market Members based on annual transaction volume during the prior calendar year; and;

(b) One (1) elected representative of Contract Market Members with annual transaction volume during the prior calendar year of more than 1,000,000 that are not included in Section 2A(a)(ii)(a) above. Only Contract Market Members not represented in accordance with Section 2A(a)(ii)(a) shall be eligible to vote for the representatives elected in accordance with this Section 2A(a)(ii)(b).

(iii) A specific Contract Market's annual transaction volume shall be the number of commodity futures contracts and swaps contracts entered into on the Contract Market during the calendar year. The number of contracts entered into on a Contract Market shall be adjusted where necessary because of differences in sizes of contracts (e.g., one 5,000 oz. contract for a particular commodity would equal five 1,000 oz. contracts for that commodity for purposes of the computation).

(iv) A Contract Market Member and all Contract Market Members with which it is affiliated shall have no more than one (1) representative on the Board at any one time. For the purposes of this limitation, a Contract Market Member shall be deemed to be affiliated with another Contract Market Member if it directly or indirectly owns 100 percent of or is owned 100 percent by or has 100 percent ownership in common with such other Contract Market Member.

(b) Futures Commission Merchant, Leverage Transaction Merchant and Introducing Broker Representatives.

Seven (7) elected representatives of registered Futures Commission Merchant Members, registered Leverage Transaction Merchant Members and registered Introducing Broker Members, divided as follows:

(i) Five (5) representatives of FCMs, including (A) at least two (2) representatives of FCMs ranked in the top ten FCMs and (B) at least two (2) representatives of FCMs and LTMs not ranked in the top ten FCMs based on the total of futures customer segregated funds and foreign futures or foreign options secured amounts, as those terms are defined in the applicable Commission regulations, held as of June 30 of the prior calendar year.

(ii) One (1) representative of IBs required to maintain minimum adjusted net capital.

(iii) One (1) representative of IBs not required to maintain minimum adjusted net capital.

(c) Commodity Pool Operator and Commodity Trading Advisor Representatives.

Four (4) elected representatives of registered Commodity Pool Operators and registered Commodity Trading Advisors that are NFA Members, including (i) at least one (1) representative of CPOs or CTAs ranked within the top five (5) percent and (ii) at least one (1) representative of CPOs or CTAs ranked within the top ten (10) percent of CPOs or CTAs reporting any funds under management allocated to futures and swaps (as defined in Article XVIII) on NFA Form PQR and NFA Form PR as of June 30 of the prior calendar year.

(d) Swap Dealer and Major Swap Participant Representatives and Retail Foreign Exchange Dealer Members.

Five (5) elected representatives of registered or provisionally registered Swap Dealers, registered or provisionally registered Major Swap Participants and registered Retail Foreign Exchange Dealers, divided as follows:

(i) At least two (2) representatives of SDs that are Large Financial Institutions, as of June 30 of the prior calendar year; and

(ii) At least two (2) representatives of SDs, MSPs or RFEDs that are not included in paragraph (d)(i) above, as of June 30 of the prior calendar year.

(e) Public Representatives.

Ten (10) individuals who are Public Representatives (see Article XVIII).

(f) An FCM, LTM, RFED, IB, CTA, CPO, SD or MSP Member and all of its Affiliates (See Article XVIII) shall have no more than one (1) representative on the Board at any one time.

Section 3: Nominations; Election.

The elected Directors shall be chosen as follows:

(a) Nominating Committee.

The Nominating Committee (see Article X) shall nominate at least one candidate for each elected FCM and LTM; IB; CPO and CTA; and SD, MSP and RFED Director position to be filled. These nominations shall be made in accordance with the eligibility requirements contained in this Article. The Nominating Committee shall nominate candidates whose election shall result in diverse segments of each category being represented on the Board based upon the size of the Member, the type of business conducted by the Member and the type of customer serviced by the Member.

(b) Petition Procedure.

Nominations may be made for elected FCM and LTM; IB; CPO and CTA; and SD, MSP and RFED Director positions by:

(i) Petition signed by 50 or more NFA Members in the category for which the nomination is made (i.e., FCM and LTM; SD, MSP and RFED; IB; and CPO and CTA); or

(ii) Petition submitted by any organization or association recognized by NFA as fairly representing the category (See (b)(i) ~~and (ii)~~ above) for which the nomination is made.

Petitions shall be submitted in the manner specified in the Bylaws. No petition may nominate more than one candidate for the same position.

(c) Election.

If there is a contested election in any category (See (b)(i) ~~and (ii)~~ above) of NFA Members, the Members in that category shall thereafter elect by plurality vote from such nominees the Directors that are to represent that category. The election shall be conducted in the manner provided in the Bylaws, which shall provide for an Annual Election. If there is not a contested election in any

category of NFA Members, the Directors that are to represent that category shall be elected to the Board by the members of the Executive Committee, other than the members who are Public Representatives (and solely for such purposes shall be deemed the sole voting members under the General Corporation Law of the State of Delaware).

(d) Public Representatives.

The Public Representatives shall be chosen as follows: Before the Annual Election, the Board shall solicit ~~from the Members~~ the nomination of individuals to serve on the Board in the Public Representative category. At the Board's regular annual meeting, the Board shall, by majority vote, ~~select~~ elect ~~from among such nominees~~ the Public Representatives to serve on the Board.

(e) Contract Markets.

At the Annual Election held in 2016 and at all Annual Elections held thereafter, ~~in~~ in the event of an election as described in Article VII, Section 2A(a)(ii)(b), the Contract Market representatives shall be elected as follows: Before the Annual Election, the Board shall solicit from Contract Market Members eligible to have representatives pursuant to Article VII, Section 2A(a)(ii)(b) the nomination of individuals to serve on the Board as representatives of such Contract Market Members. If there is a contested election of such Contract Market Members, the Contract Market Members eligible to vote pursuant to Article VII, Section 2A(a)(ii)(b) shall thereafter elect by plurality vote from such nominees the Directors that will represent them. The election shall be conducted in the manner provided in the Bylaws, which shall provide for an Annual Election. ~~If there is not a contested election of such Contract Market Members, the Directors that are to represent that category shall be elected to the Board by the members of the Executive Committee, other than the members who are Public Representatives (and solely for such purposes shall be deemed the sole voting members under the General Corporation Law of the State of Delaware).~~

Section 4: Terms of Directors.

(a) Contract Market Directors.

Notwithstanding anything to the contrary contained herein, the terms of office of all Directors in office shall expire at the regular annual meeting of the Board held in February 2016. From and after the regular annual meeting of the Board held in February 2016, Directors representing Contract Market Members shall serve for one-year terms, from the date of the Board's regular annual meeting as set forth in Bylaw 506 until the date of the Board's regular annual meeting one year hence.

(b) Other Directors.

Notwithstanding anything to the contrary contained herein, the terms of office of all Directors in office shall expire at the regular annual meeting of the Board held in February 2016. The Nominating Committee shall determine which Directors, other than Contract Market Directors and Public Representatives, whose terms begin on the date of the regular annual meeting of the Board held in February 2016 shall serve two-year terms as follows: three (3) representatives of FCMs and LTMs, at least one (1) of which is described in Section 2A(b)(i)(A) and at least one (1) of which is described in Section 2A(b)(i)(B); one (1) representative of IBs; two (2) representatives of CPOs or CTAs, at least one (1) of which is described in Sections 2A(c)(i) and 2A(c)(ii); and three (3) representatives of SDs, MSPs and RFEDs, at least one (1) of which is described in Section 2A(d)(i) and at least one (1) of which is described in Section 2A(d)(ii). The remainder of such Directors shall serve one-year terms. The Board shall determine which five (5) of the Public Representatives whose terms begin on the date of the regular annual meeting of the Board held in February 2016 shall serve two-year terms. The remainder of the Public Representatives shall serve one-year terms. Except as provided above, Directors other than Contract Market Member Directors shall serve for two-year terms, from the date of the Board's regular annual meeting following the Annual Election at which they are elected until the date of the Board's regular annual meeting two years hence. ~~Provided, however, the initial SD Directors and MSP Director, if any, elected in accordance with Section 8 by the Board shall serve from the date of the Board meeting at which they are elected until the date of the Board's regular annual meeting in 2014. SD Directors representing Large Financial Institutions and the SD Directors not representing Large Financial Institutions elected at the Annual Election in 2014 shall serve staggered terms. The two SD Directors representing Large Financial Institutions and the two (2) SD Directors not representing Large Financial Institutions who~~

~~receive the highest number of votes in each category shall serve the two year terms and the other three (3) SD or MSP Directors shall serve one year terms. Ties shall be resolved by random draw.~~

Section 5: Voting; Quorum.

Each Director shall have one vote upon any matter coming before the Board for official action, and, except as otherwise provided in these Articles or NFA's Bylaws, the affirmative vote of a majority of

- ~~(a) the Directors;~~
- ~~(b) the combined SD, MSP and RFED Directors and Public Representatives; and~~
- ~~(c) the combined Contract Market, FCM, LTM, IB, CPO and CTA Directors and Public Representatives~~

present and voting at a meeting of the Board shall be NFA's official act if a quorum is present. A quorum of the Board shall consist of one-half of the Directors, except where NFA Bylaws specify a lesser number in emergency situations.

Section 6: Establishment of Major Plans and Priorities.

The Board shall establish for observance by the Executive Committee (See Article VIII) and NFA staff major plans and priorities, including those regarding the commitment and expenditure of NFA funds.

Section 7: Chairman and Vice Chairman.

There shall be a Chairman and Vice Chairman of the Board. They shall serve for one-year terms and shall be elected by the Board at its regular annual meeting, by majority vote. The Chairman shall be elected from among the Directors in office and the Vice Chairman shall be elected from among Directors elected to serve on the Executive Committee.

Section 8: Vacancies.

A vacancy that occurs on the Board before the expiration of a Director's term or because additional Directors in existing or new Member categories are required shall be

filled (for the unexpired term) by an eligible individual elected by majority vote of the remaining Directors who represent the category of Members in which the vacancy occurred, except that if the vacancy involves a representative of a Contract Market Member, that Contract Market Member shall designate the successor. In the event there are no Directors remaining who represent the category of Members in which the vacancy occurred, the vacancy shall be filled by an eligible individual elected by the Board.

Section 9: Removal.

In accordance with Section 141(j) of the General Corporation Law of the State of Delaware, notwithstanding anything to the contrary set forth in the other provisions of the General Corporation Law of the State of Delaware, including the other provisions of Section 141, Directors may be removed from office as follows:

(a) Any Director representing a Contract Market Member described in Article VII and any FCM and LTM; SD and MSP; IB; or CPO and CTA Director may be removed by a majority of the Members eligible to elect the Director whenever, in their judgment, the best interests of NFA will be served thereby; or

(b) Upon recommendation of the Executive Committee, any Director may be removed by two-thirds of the Directors present and voting at a duly convened meeting of the Board whenever, in their judgment, the best interests of NFA will be served thereby.

Section 10: Director Qualifications.

In addition to any other Director qualification set forth herein or in the Bylaws or any other policy of the Board or NFA, no Director who has been removed from office in accordance with Section 9 of Article VII hereof shall be qualified to be a Director at any time following such removal.

ARTICLE VIII: EXECUTIVE COMMITTEE

Section 1: General.

There shall be an Executive Committee of the Board, which may exercise all powers of the Board except as set forth in Section 2 below. The authorized actions of the Executive Committee shall be deemed actions of the Board.

Section 2: Board Powers Not Exercisable By Executive Committee.

(a) General Prohibitions.

The Executive Committee shall not exercise any power of the Board when the Board is in session, and the Executive Committee shall at no time take any action with respect to any matter that is the subject of a notice of a pending Board meeting without the concurrence of the Board.

(b) Specific Prohibitions.

The Executive Committee shall at no time exercise any of the following powers of the Board:

- (i) The adoption, amendment or repeal of any Bylaw unless such power has been delegated by the Board in accordance with Article XI, Section 1; or the ratification of any proposal to adopt, amend or repeal these Articles.
- (ii) The establishment of major plans and priorities, including those regarding the commitment and expenditure of NFA funds, except that the Board may authorize the Executive Committee to make expenditures within specific monetary limits prescribed in the Bylaws or Board Resolutions.
- (iii) Except as provided in Article VII, Section 3(c) and Section 3(e), ~~the~~ election, appointment or removal of any NFA Director, officer or committee member.
- (iv) The adoption of a plan of merger or consolidation with another entity.

(v) The sale, lease, exchange or mortgage of all or substantially all of NFA property or assets.

(vi) The voluntary dissolution of NFA or the revocation of proceedings therefor.

(vii) The adoption of a plan for the distribution of NFA assets.

(viii) The amendment or repeal of any Board Resolution that, by its terms, provides that it shall not be amended or repealed by the Executive Committee.

Section 3: Composition.

The Executive Committee shall comprise the following:

(a) NFA's President, who shall be an *ex officio*, non-voting member; and

(b) The Chairman of the Board, who shall be a non-voting member except in the case of tie votes; and

(c) ~~Twelve (12)~~ Thirteen (13) Directors, as follows:

(i) Two (2) Directors representing Contract Markets:

(A) One (1) representative of a Contract Market that had transaction volume of more than 20 percent of aggregate contract market transaction volume during the prior calendar year. A specific Contract Market's transaction volume shall be the number of commodity futures contracts and swaps contracts entered into on the Contract Market. The aggregate contract market transaction volume shall be the number of such contracts entered into on all U.S. contract markets. The number of contracts entered into on a Contract Market shall be adjusted where necessary because of differences in sizes of contracts (e.g., one 5,000 oz. contract for a particular commodity would equal five 1,000 oz. contracts for that commodity for purposes of the computation); and

(B) One (1) representative of a Contract Market other than a Contract Market described in clause (A) above: *Provided, however,* if no Contract Market described in clause (A) above is represented on the Board, there shall be two Directors on the Committee from Contract Markets represented on the Board;

- (ii) Two (2) Directors representing FCMs, LTMs or IBs;
- (iii) Two (2) Directors representing CPOs and CTAs;
- (iv) Two (2) Directors representing SDs, MSPs or RFEDs; and
- (v) Five (5) Directors who are Public Representatives (see Article XVIII(s)).

Section 4: Election of Members; Vacancies.

The elected members of the Executive Committee shall be chosen by the Board at the regular annual meeting as follows: The Directors representing Contract Markets that had transaction volume of more than 20 percent of aggregate Contract Market transaction volume during the prior calendar year shall elect the Committee member in category (c)(i)(A) above; the Directors representing all other Contract Markets shall elect the Committee member in category (c)(i)(B) above; the Directors representing FCMs, LTMS and IBs shall elect the Committee members in category (c)(ii) above; the Directors representing CPOs and CTAs shall elect the Committee members in category (c)(iii) above; the Directors representing SDs, MSPs and RFEDs shall elect the Committee members in category (c)(iv) above; and the Public Representative Directors ~~shall elect the Committee members in category (c)(v) above shall be elected by the Board.~~ A vacancy that occurs on the Executive Committee before the expiration of a Committee Member's term or because additional Committee Members in existing or new Member categories are required shall be filled in like manner. Tie votes may be resolved by the Board by random draw.

Section 5: Voting; Quorum.

Each member of the Executive Committee shall have one vote on Executive Committee matters. A majority of the Executive Committee members shall constitute a quorum.

ARTICLE X: NOMINATING COMMITTEE

Section 1: General.

There shall be a Nominating Committee, composed of four Subcommittees, one for each of the following categories of Members: (i) FCMs and LTMs, (ii) IBs, (iii) CPOs and CTAs and (iv) SDs, MSPs and RFEDs. Each Subcommittee shall nominate at least one candidate for each position to be filled on the Board in the Subcommittee's category, in accordance with the eligibility requirements of Article VII.

Section 2: Composition; Term of Members.

(a) Each Subcommittee of the Nominating Committee shall be composed of three representatives of the Subcommittee's category, except that:

(i) The FCM and LTM Subcommittee shall be composed of three representatives, including (A) until the regular annual meeting of the Board held in February 2016, at least one representative of FCMs or LTMs described in Article VII, Section 2(b)(i)(A) and at least one representative of FCMs or LTMs described in Article VII, Section 2(b)(i)(B) and (B) from and after the regular annual meeting of the Board held in February 2016, at least one representative of FCMs described in Article VII, Section 2A(b)(i)(A) and at least one representative of FCMs or LTMs described in Article VII, Section 2A(b)(i)(B);

(ii) The IB Subcommittee shall be composed of three representatives, including at least one representative of IBs required to maintain minimum adjusted net capital and at least one representative of IBs not required to maintain minimum adjusted net capital;

(iii) The CPO and CTA Subcommittee shall include at least one representative that primarily acts as a CPO and at least one representative that primarily acts as a CTA; and

(iv) The SD, MSP and RFED Subcommittee shall be composed of three representatives, including (A) until the regular annual meeting of the Board held in February 2016, at least one representative of SDs described in Article VII, Section 2(d)(i) and at least one representative of SDs or RFEDs described in Article VII, Section 2(d)(ii) and (B) from and after the regular annual meeting of the Board held in February 2016, at least one representative of SDs described in Article VII, Section 2A(d)(i) and at least one representative of SDs, MSPs, or RFEDs described in Article VII, Section 2A(d)(ii).

(b) Members of the Nominating Committee shall serve staggered terms of three years from the date of the Board's regular annual meeting following the Annual Election at which they are elected until the date of the Board's regular annual meeting three years hence: ~~Provided, however, that the initial members of the SD and MSP Subcommittee shall serve terms from the date of the Board meeting at which they are elected as follows: one member until the date of the Board's regular annual meeting in 2014; one member until the date of the Board's regular annual meeting in 2015; and one member until the date of the Board's regular annual meeting in 2016; and the Board shall determine which members of the SD and MSP Subcommittee shall serve such terms.~~

Section 3: Selection of Committee Members.

Each Subcommittee of the Nominating Committee shall nominate, for each position to be filled on the Nominating Committee, one eligible individual for election by the Members to that Subcommittee for the following term. Additional nominations may be made for each such position by petition in the manner set forth in Article VII, Section 3. The procedures for such election shall be the same as those prescribed in Article VII, Section 3. No person shall be nominated or elected to the Nominating Committee who has served on the Nominating Committee during the preceding term, and no person shall be nominated or elected to the Nominating Committee who, at the time of such nomination or election, is a Director. Any vacancy that occurs on the Nominating Committee shall be filled by the Board from among persons eligible under this Article to serve thereon.

ARTICLE XI: BYLAWS

Section 1: Adoption, Amendment and Repeal.

Bylaws of NFA may be adopted, amended or repealed in accordance with Article VII, Section 5, except that the Board shall not take the following actions unless a two-thirds majority of:

- ~~(a) the Directors;~~
- ~~(b) the combined SD, MSP and RFED Directors and Public Representatives; and~~
- ~~(c) the combined Contract Market, FCM, LTM, IB, CPO and CTA Directors and Public Representatives~~

present and voting approves:

- (i) Delegating or otherwise granting authority to any NFA Committee, officer, employee or agent, or any other person, to adopt, amend or repeal any Bylaw;
- (ii) Adopting, amending or repealing any Bylaw regarding dues or assessments; and
- (iii) Adopting, amending or repealing any Bylaw regarding dues, assessments or similar charges imposed on ~~contract~~ Contract market Market Members.

Section 2: Content of Bylaws.

Except insofar as such matters are expressly contained in these Articles, the following shall be as provided from time to time in NFA's Bylaws: The conditions of, method of admission to, and qualifications for membership and Associate registration; the limitations, rights, powers and duties of Members and Associates; dues and assessments; the method of expulsion from and the termination of membership and Associate registration; the procedures for the settlement of claims and grievances; and all other matters pertaining to membership in, registration with, and the conduct, management and control of the business, property and affairs of NFA.

ARTICLE XVI: MISCELLANEOUS

Section 1: Registered Office.

The registered office of NFA in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, 19801. The name ~~and address~~ of its resident agent ~~are~~ is the Corporation Trust Company, ~~Corporation Trust Center, 100 West Tenth Street, Wilmington, Delaware.~~

Section 2: Incorporators.

The names and addresses of the incorporators of NFA are as follows:

Paul F. McGuire	Leo Melamed
184 Maple Avenue	350 Sunrise Circle
Highland Park, Illinois 60035	Glencoe, Illinois 60022

Section 3: Indemnification.

NFA shall provide in its Bylaws for indemnification of its past and present directors, officers, committee members, employees and agents, and any person who is serving or has served at NFA's request as a director, officer, committee member, employee or agent of another organization, to the full extent permitted by law.

Section 4: Dissolution.

Upon dissolution, the net assets of NFA, after payment of liabilities, shall be distributed to the then Members in proportion to the dues and assessments previously paid.

Section 5: Directors' Liability.

To the fullest extent permitted by the Delaware General Corporation Law as the same exists or may hereafter be amended, a director of this corporation shall not be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director.

ARTICLE XVII: ADOPTION, AMENDMENT AND REPEAL OF ARTICLES

No provision of these Articles may be adopted, amended or repealed except in the manner prescribed in this Article. Each such proposed change to the Articles shall be reviewed by the Board, and shall be submitted to the Members of NFA only upon ~~ratification~~ approval of the proposal by the Board by two-thirds of:

- ~~(a) the Directors;~~
- ~~(b) the combined SD, MSP and RFED Directors and Public Representatives; and~~
- ~~(c) the combined Contract Market, FCM, LTM, IB, CPO and CTA Directors and Public Representatives~~

present and voting. If any such proposed change relates to Article III, Section 2, such proposed change shall not be considered by the Board for ~~ratification~~ approval unless at least 60 days written notice of the proposed change has been given to each Contract Market Member. Upon such ~~ratification~~ approval, the proposal shall be submitted to a ~~ballot~~-vote of the Members and shall be adopted upon the affirmative vote of a majority of those Members that cast a vote in each of the categories set forth in Sections 2A(a)-2A(d) of Article VII ~~who submit a proper ballot in a timely manner.~~

ARTICLE XVIII: DEFINITIONS.

As used in these Articles-

- (a) "Act"**-means the Commodity Exchange Act, as amended from time to time.
- (b) "Affiliate"**-means, unless otherwise provided, any person that directly or indirectly owns more than 50% of or is owned more than 50% by or has more than 50% ownership in common with another person.
- (c) "Associate"** -means a person who is associated with a Member within the meaning of the term "associated person" as used in the ~~Commodity Exchange Act~~ or Commission Rules and who is required to be registered as an "associated person" with the ~~Commodity Futures Trading Commission~~; and any other person designated by the Board to be an Associate.

(d) "Board" or "Board of Directors"-means the Board of Directors of NFA.

(e) "Clearing Organization" -means an entity (whether a unit or division of the Contract Market, or a separate organization) that clears commodity futures transactions or swaps transactions executed on a Contract Market.

(ef) "Commission" -means the Commodity Futures Trading Commission.

(fg) "Commodity Pool Operator" or "CPO" -means a commodity pool operator as that term is used in the ~~Commodity Exchange~~ Act, and that is required to be registered as such under the Act and Commission Rules, except any CPO that the Board has designated to be an Associate.

(gh) "Commodity Trading Advisor" or "CTA" -means a commodity trading advisor as that term is used in the ~~Commodity Exchange~~ Act, and that is required to be registered as such under the Act and Commission Rules, except any CTA that the Board has designated to be an Associate.

(hi) "Contract Market" -means an exchange registered by the Commission as a designated contract market.

~~**(i) "Clearing Organization"** means an entity (whether a unit or division of the Contract Market, or a separate organization) that clears commodity futures transactions or swaps transactions executed on a Contract Market.~~

(j) "Fees" -means charges for processing applications, administering qualifications examinations, conducting arbitrations, and other clerical and administrative fees. The term "~~f~~Fees" does not include dues, assessments or similar charges.

(k) "Futures"-includes options contracts traded on a Contract Market, and such other commodity-related instruments as the Board may from time to time declare by Bylaw to be properly a subject of NFA regulation and oversight.

(l) "Futures Commission Merchant" or "FCM" -means a futures commission merchant as that term is used in the ~~Commodity Exchange~~ Act, and that is required to be registered as such under the Act and Commission Rules.

(m) "Introducing Broker" or "IB**"** -means an introducing broker as that term is used in the ~~Commodity Exchange~~ Act, and that is required to be registered as such under the Act and Commission Rules.

(n) "Large Financial Institution"-means a Swap Dealer included in a well defined, publicly available and independent list of financial institutions that the Board of Directors identifies by resolution from time to time.

(o) "Leverage Transaction Merchant" or "LTM"-means a leverage transaction merchant as that term is used in Commission Rules, and that is required to be registered as such under the Act and Commission Rules.

(p) "Major Swap Participant" or "MSP"-means a major swap participant as that term is used in the Act, and that is required to be registered as such under the Act and Commission Rules.

(q) "Member"-means a member of NFA.

(r) "Person"-includes individuals, corporations, partnerships, trusts, associations and other entities.

(s) "Public Representative"-refers to those members of the Board of Directors who are public directors as that term is defined in Section (b)(2) of Core Principle 16 in Appendix B to Part 38 of the Commission's Rules and is read in the context as applied to NFA.

(t) "Requirements"-includes any duty, restriction, procedure, or standard imposed by a charter, bylaw, rule, regulation, resolution or similar provision.

(u) "Retail Foreign Exchange Dealer" or "RFED"-means a retail foreign exchange dealer as that term is used in the Act, and that is required to be registered as such under the Act and Commission Rules.

(v) "Swap Dealer" or "SD"-means a swap dealer as that term is used in the Act, and that is required to be registered as such under the Act and Commission Rules.

(w) "Swaps"-means swaps as used and defined in the Act and in the Commission Rules, and such other swap-related agreement, contract or transaction as the Board may from time to time declare by Bylaw to be properly a subject of NFA regulation and oversight.

EXPLANATION OF PROPOSED AMENDMENT

On May 21, 2015, NFA's Board unanimously approved amendments to NFA's Articles. These changes were made at the recommendation of the Board-appointed Special Committee on NFA Governance ("Special Committee") and reduce the size of the Board; eliminate special voting rules for Board actions; allow the non-Member nomination of Public Directors and the election of Public Directors to the Executive Committee by the Public Directors; move the Director removal provisions currently in NFA's Bylaws to the Articles; and make other technical amendments.

Board Structure and Composition

NFA's current Board consists of 35 Directors and under the current Articles will have 37 Directors in February 2016. In February 2015, NFA's Board charged the Special Committee, in part, with conducting a review of the Board's structure and with making recommendations regarding reducing the size of the Board. The Special Committee made a report to the Board on May 21, 2015 and the Board approved amendments to NFA's Articles to reduce its size to 29 Directors, and made the following changes to accomplish this result:

- Both futures commission merchants ("FCM") and swap dealer ("SD")/major swap participant ("MSP")/retail foreign exchange dealer ("RFED") representation will be reduced from seven to five Directors, providing for two Directors from large firms, two from smaller firms and one at-large seat in each category. In addition, the requirement that one seat in the SD/MSP/RFED category be allocated to an MSP is eliminated. NFA currently has only one MSP and rather than continue to reserve a directorship for MSPs, the Nominating Committee will seek to nominate candidates for the at-large SD/MSP/RFED seat representing diverse business interests;

- The number of commodity pool operator ("CPO")/commodity trading advisor ("CTA") seats will be reduced from five to four Directors and allocated as follows: (i) at least one representative of CPOs or CTAs ranked within the top 5%; and (ii) at least one representative of CPOs or CTAs ranked within the top 10% of CPOs or CTAs reporting any funds under management allocated to futures and swaps;
- The number of seats allocated to guaranteed and independent introducing brokers ("IBs") remains at one each;
- The number of seats allocated to Contract Market Members is three, with two larger and one smaller exchange; and
- The number of Public Representative seats will be reduced from thirteen to ten.

The following chart compares NFA's Board in February 2016 and the proposed restructured Board by category:

	FCM	SD/MSP/ RFED	CPO/CTA	IB	Contract Market	Public	Total
Current Board	7	7	5	2	3	13	37
Proposed Board	5	5	4	2	3	10	29

NFA's Board plans to implement the new Board structure in February 2016 when all current Directors' terms will end and new Directors will be elected. The terms of the new Member Director positions will be staggered as determined by the Subcommittees of the Nominating Committee and by the Board for the election of Public Representatives.

Additionally, the Board voted to eliminate its special voting rules adopted in 2012 when the Board integrated SDs and MSPs into NFA's governance. The special voting rules currently require that to pass any measure the affirmative vote of a majority of (a) the Directors; (b) the combined SD, MSP and RFED Directors and Public Representatives; and (c) the combined Contract Market, FCM, leverage transaction

merchant, IB, CPO and CTA Directors and Public Representatives present and voting at a meeting is required. By eliminating these special voting rules, the Board will return to its rule prior to 2012 requiring passage of any measure, unless otherwise provided by the Bylaws or Articles, by the affirmative vote of a majority of Directors present and voting.

Election Process for Public Representatives

Over the years, NFA has consistently had Public Representatives with outstanding credentials and their contributions to NFA have been enormous. A Public representative candidate must be knowledgeable of the markets and the Members regulated by NFA and sufficiently independent of NFA to provide impartial, objective analysis of the issues that come before the Board. Since Public Representatives bring the perspective of non-Members to the Board, the Special Committee recommended and the Board approved revising the Articles to allow Public Representatives to be nominated by non-NFA Members. (Article VII, Section 3)

Moreover, with the exception of Public Representatives, each category on the Board elects its own representatives to NFA's Executive Committee. Public Representatives on the Executive Committee are currently elected by the entire Board. The Board determined that there is no reason for this disparate treatment and approved the recommendation to allow the Public Representatives on the Executive Committee to be elected by NFA's Public Representatives rather than by the entire Board.

Removal of a Director

Since NFA's inception, NFA Bylaw 503 has provided that the Board has the authority to remove a Director whenever, in the judgment of the Board, the best interests of NFA will be served thereby. Since 1990, Bylaw 503(b) has provided that upon the recommendation of the Executive Committee, any Director may be removed by two-thirds of the Directors present and voting at a duly convened meeting of the Board. NFA's outside Delaware corporate counsel has advised that this authority should be specified in NFA's Articles rather than in the Bylaws. The Board approved amendments to NFA's Articles that move the Director removal provisions currently found in NFA Bylaw 503 to Article VII. These amendments also provide that a Director removed by the Board is ineligible to serve as a Director in the future.

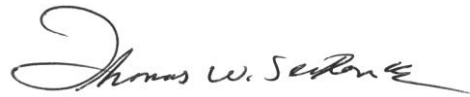
Mr. Christopher J. Kirkpatrick

June 25, 2015

Upon the Board's approval of the amendments, the proposal was submitted to a ballot vote of NFA's Members pursuant to Article XVII. Ballots had to be returned to Grant Thornton LLP by Friday, June 19, 2015. In late June 2015, Grant Thornton LLP reported that Members in the Contract Market; FCM, LTM, and IB; CPO and CTA; and SD, MSP, and RFED categories affirmatively voted in favor of the Articles' amendments.

NFA respectfully requests that the Commission review and approve the proposed amendments to NFA's Articles of Incorporation. NFA intends to make the Articles' amendments effective in February 2016 at the Board's regular annual meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas W. Sexton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas W. Sexton
Senior Vice President and
General Counsel

*The proposed amendments to Articles of Incorporation Article III, VII, VIII, X, XI, XVI, XVII and XVIII became effective October 8, 2015.