

October 8, 2008

Via Federal Express

Mr. David A. Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: National Futures Association: Eligibility to Guarantee IBs: Proposed
Amendments to NFA Financial Requirements Section 2*

Dear Mr. Stawick:

Pursuant to Section 17(j) of the Commodity Exchange Act ("Act"), as amended, National Futures Association ("NFA") hereby submits to the Commodity Futures Trading Commission ("CFTC" or "Commission") proposed amendments to NFA Financial Requirements Section 2. This proposal was approved by NFA's Board of Directors ("Board") on August 21, 2008.

NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act ("CEA") and will make these proposals effective ten days after receipt of this submission by the Commission unless the Commission notifies NFA that the Commission has determined to review the proposals for approval.

PROPOSED AMENDMENTS

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

FINANCIAL REQUIREMENTS

SECTION 2. ELIGIBILITY TO GUARANTEE IBS.

(a) A Member FCM, other than a Forex Dealer Member, which knows or should know that its Adjusted Net Capital is less than the greatest of:

- (i) \$750,000;
- (ii) For Member FCMs with less than \$2,000,000 in Adjusted Net Capital, \$9,000 for each remote location operated (i.e., proprietary branch offices,

main office of each guaranteed IB and branch offices of each guaranteed IB);

- (iii) For Member FCMs with less than \$2,000,000 in Adjusted Net Capital, \$4,500 for each AP sponsored (including APs sponsored by guaranteed IBs);
- (iv) For securities brokers or dealers, the amount of capital specified in Rule 17(a)-11(b) of the Regulations of the Securities and Exchange Commission (17 CFR 240.171-11(b)); or
- (v) One hundred and ten (110) percent of the amount required in Financial Requirements Section 1(a)(v)

may not enter into a guarantee agreement with an IB until it files three successive month-end statements where the Member FCM's Adjusted Net Capital is equal to or greater than the amount required by this subsection.

(b) A Forex Dealer Member which knows or should know that its Adjusted Net Capital is less than the amount required by Financial Requirements Section 11 may not enter into a guarantee agreement with an IB until it files three successive month-end statements where the Member FDM's Adjusted Net Capital is equal to or greater than the amount required by Financial Requirements Section 11.

(c) A Member FCM or RFED which is a party to a guarantee agreement with an IB and whose Adjusted Net Capital is less than the amount set forth in paragraph (a) or (b) of this Section, as applicable, must also provide its DSRO, NFA and any IBs which it guarantees with a notice that the FCM's or RFED's Adjusted Net Capital is less than the amount required by paragraph (a) or (b). If the FCM or RFED cannot demonstrate to NFA and its DSRO, within 30 days after the required notice, that its Adjusted Net Capital is greater than the amount required by paragraph (a) or b, the FCM must immediately notify, in writing, any IB which it guarantees that the guarantee agreement will terminate 30 days following the notice. A copy of the notice must also be filed with the CFTC, NFA, and the DSRO of the FCM or RFED. If the FCM or RFED demonstrates to its DSRO and NFA prior to the effective date of the termination of the guarantee agreement that its Adjusted Net Capital is greater than the amount required

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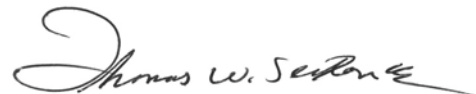
by paragraph (a) or (b), then it may notify any IB which it guarantees, the CFTC, NFA, and its DSRO, that the guarantee agreement will not terminate.

EXPLANATION OF PROPOSED AMENDMENTS

New NFA Financial Requirements Section 2(b) ensures that Forex Dealer Members will not be able to guarantee IBs unless they meet the minimum capital requirements. Additionally, NFA has added references to RFEDs to those provisions of the current rules that address a guarantor's qualifications or obligations. These provisions obviously will have no effect until the CFTC adopts Registration Requirements for the RFED category.

As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the amendments to NFA Financial Requirements Section 2 effective 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,



Thomas W. Sexton
Vice President and General Counsel

* The proposed amendments to NFA Financial Requirements Section 2 became effective October 20, 2008.