

November 20, 2012

Via Federal Express

Ms. Sauntia Warfield
Assistant Secretary
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: National Futures Association: Schedule of Dues and Assessments –
Proposed Technical Amendment to NFA Bylaw 1301(b)(i)*

Dear Ms. Warfield:

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”) a proposed technical amendment to NFA Bylaw 1301(b)(i) regarding schedule of dues and assessments. NFA’s Board of Directors (“Board”) approved the proposal on November 15, 2012.

NFA is invoking the “ten-day” provision of Section 17(j) of the Commodity Exchange Act (“CEA”) and will make this proposal 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.

PROPOSED AMENDMENTS

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

NFA'S BYLAWS

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CHAPTER 13. SCHEDULE OF DUES AND ASSESSMENTS

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BYLAW 1301. SCHEDULE OF DUES AND ASSESSMENTS.

Subject to the provisions of Article XII, dues and assessments of Members shall be as follows:

* * *

(b) FCM Members.

(i) Each FCM Member shall pay to NFA an assessment equal to:

(A) \$.04 for each commodity futures contract traded on or entered into subject to the rules of a contract market (other than an option contract) on a round-turn basis;

(B) \$.02 for each option contract traded on or entered into subject to the rules of a contract market on a per trade basis;

~~(C) \$.04 for each security futures contract, as defined in Section 1a(31) of the Act, traded on a round-turn basis, carried by it in a commodity futures account,~~

carried by it for a customer other than: (1) a person having privileges of membership on a contract market where such contract is entered (except that this exemption does not apply to transactions by commodity pools operated by NFA Member CPOs); (2) a business affiliate of such FCM that directly or indirectly owns 100 percent of or is owned 100 percent by or has 100 percent ownership in common with such FCM provided such FCM has privileges of membership on the contract market where such contract is entered; or (3) an omnibus account carried for another FCM Member for which assessments are payable to NFA by the other FCM;

~~(D)~~ \$.04 for each commodity futures contract traded on or entered into subject to the rules of a foreign board of trade (other than an option contract) on a round-turn basis;

~~(E)~~ \$.02 for each option contract traded on or entered into subject to the rules of a foreign board of trade on a per trade basis,

carried by it for a customer other than: (1) on an omnibus account basis for another FCM Member for which assessments are payable to NFA by the other FCM; or (2) for the proprietary trades of a person who has privileges of membership on any NFA Member contract market that has annual transaction volume of 1,000,000 calculated in conformance with Article VII, Section 2(a)(iii) of NFA's Articles of Incorporation provided, however, that this exemption shall not be afforded for the foreign proprietary trades of a person's parent, affiliate, or subsidiary unless these entities separately meet the requirements of this subsection.

(~~FE~~) \$.02 for each dealer option contract on a per trade basis carried by it for a customer other than a business affiliate of such FCM that directly or indirectly owns 100 percent of or is owned 100 percent by or has 100 percent ownership in common with such FCM Member:

Provided, however, such assessments shall be suspended or adjusted by the Board for a period not to exceed three months when in the judgment of the Board such action is appropriate in light of NFA's overall financial goals. The FCM Member shall invoice these assessments to its customer and shall remit the amount due to NFA; and

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EXPLANATION OF PROPOSED AMENDMENTS

At its May 2012 meeting, NFA's Board approved an Interpretive Notice entitled *NFA Bylaw 1301(b): NFA's Assessment Fee – Diminutive Notional Value Contracts and Security Futures Products* that adopted a new fee structure for security futures products. Specifically, the new structure reduced the SFP fee from \$.04 to \$.00008 per contract on a round-turn basis, with a minimum fee of \$.01 per round-turn. NFA made the new fee effective on September 1, 2012.

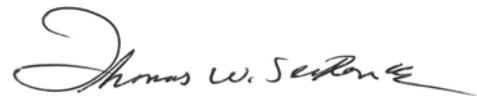
Since the new fee of \$.00008 per round-turn is applicable to a security futures contract, as defined in Section 1a(44) of the Commodity Exchange Act and carried in a commodity futures account, the technical amendment to NFA Bylaw 1301(b)(i) deletes the reference to the former \$.04 per round-turn fee.

Ms. Sauntia Warfield

November 20, 2012

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 Bylaw 1301(b)(i) regarding schedule of dues and assessments 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,

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 the Bylaw are effective February 21, 2013.