

May 30, 2012

**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: Retail Forex Transactions – Proposed  
Amendments to NFA Financial Requirements Section 13 Regarding Forex  
Dealer Member Reports\*

Dear Mr. Stawick:

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 Financial Requirements Section 13 regarding Forex Dealer Member Reports. NFA’s Board of Directors (“Board”) approved the proposal on May 17, 2012.

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.

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

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**FINANCIAL REQUIREMENTS**

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**SECTION 13. FOREX DEALER MEMBER ~~DAILY~~ REPORTS.**

(a) Each Forex Dealer Member must file electronically the following reports with NFA within the specified time periods in a form and manner prescribed by NFA:

(1) Daily electronic reports showing liabilities to customers and any other financial or operational information required by NFA. The report must be prepared each business day and must be filed by noon on the following business day in the format and using the electronic filing method provided by NFA.

(2) Monthly operational and risk management reports. These reports must be filed within seventeen business day after the end of each month for which the report is prepared.

(3) Quarterly reports containing the most updated performance disclosures required by CFTC Regulation 5.5(e)(1)(i) – (iii). These reports must be filed within seventeen business days after the end of each quarter for which the report is prepared.

~~(4)~~ (b) No Forex Dealer Member may access NFA's electronic financial reports database until NFA has assigned it a unique identifying code and password. Each Forex Dealer Member is responsible for maintaining the security and confidentiality of its identifying code and password and that of each person it authorizes to file ~~daily~~ electronic reports on its behalf.

~~(2)~~ (c) Submitting ~~the~~ any of these reports certifies that the person filing it is a supervisory employee that is, or is under the ultimate supervision of, a listed principal who is also an NFA Associate; that the person filing it is duly authorized to bind the Forex Dealer Member; and that, to the best of that person's knowledge, all information in the report is true, correct, and complete.

~~(d) Each daily~~ Any report that is filed after it is due shall be accompanied by a fee of \$200 for each business day it is late. Payment and acceptance of the fee does not preclude NFA from filing a disciplinary action for failure to comply with the deadlines imposed by this rule.

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## EXPLANATION OF PROPOSED AMENDMENTS

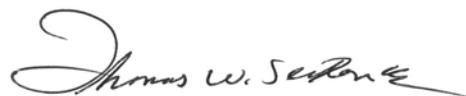
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NFA Financial Requirements Section 13 specifically requires each Forex Dealer Member (FDM) to file a daily report with NFA that shows its liabilities to customers. Financial Requirements Section 13 also indicates that any daily report that is filed after its due date must be accompanied by a \$200 fee for each business day that it is late.

Financial Requirements Section 13 also requires FDMs to file with NFA any other financial and operational information required by NFA. NFA's Interpretive Notice entitled *Forex Transactions* specifies that each FDM must file monthly operational and risk management reports (and describes what is included in those reports) and the quarterly performance disclosure required by CFTC Regulation 5.5. Neither Financial Requirements Section 13 nor the Interpretive Notice indicates that a late fee is automatically imposed for a report required after its due date. Therefore, NFA is amending Financial Requirements Section 13 to specify each report that must be filed with NFA and clarify that any report that is filed after its due date must be accompanied by a fee of \$200 for each business day that it is late.

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 13 regarding Forex Dealer Member Reports 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  
Senior Vice President and  
General Counsel

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\*The proposed amendments to NFA Financial Requirements Section 13 became effective September 25, 2012.