

June 2, 2025

**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 Technical Amendments to NFA Compliance Rule 2-29, Registration Rules 402, 503 and 504 and Interpretive Notices entitled *9018 – Registration Rule 402: CPOs of Pools Trading Primarily in Securities* and *9051 – NFA Compliance Rules 2-9 and 2-36: Ethics Training 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") proposed technical amendments to NFA Compliance Rule 2-29, Registration Rules 402, 503 and 504 and Interpretive Notices entitled *9018 – Registration Rule 402: CPOs of Pools Trading Primarily in Securities* and *9051 – NFA Compliance Rules 2-9 and 2-36: Ethics Training Requirements* to ensure that NFA's Rules and Interpretive Notices do not become outdated by referencing obsolete titles and roles at NFA. NFA's Board of Directors ("Board") unanimously approved the proposals on May 15, 2025. NFA is invoking the "ten-day" provision of Section 17(j) of the CEA and plans to make the amendments 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 proposals 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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**COMPLIANCE RULES**

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**Part 2 – Rules Governing the Business Conduct of Members  
Registered with the Commission**

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**RULE 2-29. COMMUNICATIONS WITH THE PUBLIC AND PROMOTIONAL  
MATERIAL.**

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(g) Filing with NFA.

~~The Compliance Director~~ NFA may require any Member for any FCM, IB, CPO and CTA for any specified period to file copies of all promotional material with NFA promptly after its first use.

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**REGISTRATION RULES**

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**RULE 402. WAIVER OF TESTING REQUIREMENT.**

~~The Vice President of Registration and Membership~~ NFA may waive the requirements of Rule 401 under circumstances approved by the Board of Directors. The decision of ~~the Vice President of Registration and Membership~~ NFA shall be final. Any sponsor which has been granted a waiver with respect to its APs that becomes ineligible for such waiver shall promptly notify ~~the Vice President of Registration and Membership~~ NFA in writing of such ineligibility.

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**RULE 503. WITHDRAWAL OF APPLICATION FOR REGISTRATION.**

(a) Whenever information comes to the attention of NFA that an applicant for registration in any capacity may be disqualified from registration under Section 8a(2), 8a(3) or 8a(4) of the Act, ~~the Vice President of Registration and Membership or the Vice President's designee~~ NFA may serve written notice upon the applicant which shall specify the statutory disqualifications to which the applicant may be subject and notify the applicant that:

(1) the information, if true, is a basis upon which the applicant's registration may be denied;

(2) unless the applicant voluntarily withdraws his application, it may be necessary to institute the denial procedures described in Part 500 of these Rules; and

(3) if the applicant does not confirm in writing that he wishes to have his application given further consideration, his application will be deemed to have been withdrawn.

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**RULE 504. PROCEDURES GOVERNING APPLICANTS AND REGISTRANTS DISQUALIFIED FROM REGISTRATION UNDER SECTION 8a(2), 8a(3) OR 8a(4) OF THE ACT.**

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**(c) Reply to Response of a Registrant Subject to an 8a(2) Disqualification.** If a registrant who is alleged to be subject to an 8a(2) disqualification submits a written response, challenging the accuracy of the allegations establishing the statutory disqualification, ~~the Vice President of Registration and Membership~~ NFA may submit a written reply to the Membership Committee or a designated Subcommittee and serve such reply upon the registrant within 10 days of the date of such written response. The reply shall include evidence establishing the existence of the statutory disqualification.

**(d) Interim Order.** After the receipt of a registrant's written response to the Notice of Intent and any reply thereto from ~~the Vice President of Registration and Membership~~ NFA, the Membership Committee or a designated Subcommittee shall determine whether the registrant is disqualified from registration under Section 8a(2) of the Act.

(1) If the Membership Committee or a designated Subcommittee determines that the registrant is disqualified under Section 8a(2) of the Act, the Membership Committee or a designated Subcommittee, within 30 days after receipt of the registrant's written response, if any, and any reply thereto, shall issue an interim order suspending the registration of the registrant. The interim order shall inform the registrant that the registration of the registrant shall be suspended, effective five days after the interim order is served upon the registrant, and such suspension shall remain in effect until a Final Order has been issued. In no event shall the registrant be suspended for a period to exceed six months.

(2) If the Membership Committee or a designated Subcommittee determines that the registrant is not disqualified from registration under Section 8a(2) of the Act, the Membership Committee or a designated Subcommittee shall, within 30 days after receipt of the registrant's written response and any reply thereto, either issue a Withdrawal of Notice of Intent or, if the Membership Committee or a designated Subcommittee determines that the disqualification constitutes a

Section 8a(3) disqualification, it may grant ~~the Vice President~~ NFA leave to file an Amended Notice of Intent within thirty days. In either event, the Membership Committee or a designated Subcommittee shall make a finding that the registrant is not disqualified under Section 8a(2) of the Act.

(3) If the Membership Committee or a designated Subcommittee determines that there is not enough evidence in the written record to decide whether the registrant should be disqualified from registration under Section 8a(2) of the Act, the Membership Committee or a designated Subcommittee may, within 30 days after receipt of the registrant's written response and any reply thereto, either decline to make a finding or issue an order for an oral hearing. The Membership Committee or a designated Subcommittee shall rely upon any evidence produced at an oral hearing and any written submissions to make the determination required in paragraphs (d)(1) or (d)(2) of this Rule.

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**(g) NFA's Witnesses and Evidence.** At least 15 days before the date of the hearing ~~the Vice President of Registration and Membership~~ NFA shall serve, on the applicant or registrant a description of the factual issues raised in the applicant's or registrant's response and further submission, if any, that NFA regards as material and disputed. Such reply also shall include the identity and a summary of the expected testimony of each witness whom NFA intends to have testify at its case-in-chief and copies of all documents which NFA intends to introduce at such hearing.

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## INTERPRETIVE NOTICES

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### 9018 - REGISTRATION RULE 402: CPOS OF POOLS TRADING PRIMARILY IN SECURITIES

#### INTERPRETIVE NOTICE

The Board of Directors has granted ~~the Director of Compliance~~ NFA the authority to waive the Series 3 examination for certain individuals who are associated with CPOs who are required to register solely because they operate commodity pools which are principally engaged in securities transactions. The individual or firm requesting the waiver must provide a written description of the facts which qualify the individual for a waiver. ~~The Director of Compliance's~~ NFA's decision will be final.

~~The Director of Compliance~~ NFA is authorized to waive the Series 3 examination in either of the following situations:

1. The CPO or the commodity pool is subject to regulation by a federal or state regulator (e.g., the Securities and Exchange Commission, federal bank regulators or state insurance agencies) or the pool is privately offered pursuant to an exemption from the registration requirements of the Securities Act of 1933 and the CPO limits its activities for which registration is required to operating a commodity pool which:

- a. engages principally in securities transactions;
- b. commits only a small percentage of its assets as initial margin deposits and premiums for futures and options on futures; and
- c. uses futures transactions and options on futures only for hedging or risk management purposes.

2. The individual requesting the waiver is a general partner of a CPO or of a commodity pool which is primarily involved with securities investments; there is at least one registered general partner of the CPO or pool who has taken and passed the Series 3 examination; and the individual requesting the waiver is not involved in soliciting or accepting pool participations, trading futures or options on futures, handling customer funds, supervising any of the above activities or engaging in any other activity that is integral to the operation of the fund as a pool.

Waiver requests should be directed to:

~~Director of Compliance~~ Compliance Department  
National Futures Association  
320 South Canal, Suite 2400  
Chicago, Illinois 60606

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## **9051 - NFA COMPLIANCE RULES 2-9 and 2-36: ETHICS TRAINING REQUIREMENTS**

### **INTERPRETIVE NOTICE**

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## TRAINING PROVIDERS

It is still acceptable to obtain ethics training sponsored by independent persons, firms, or industry associations. Each Member should ensure that its selected provider is qualified and obtain proof that the provider has completed relevant proficiency testing and has three years of relevant industry experience, or similar experience. ~~NFA's Vice President of Registration~~ NFA may waive the testing requirement where the provider demonstrates competency comparable to satisfying proficiency testing requirements. Firms should only use providers that they reasonably in good faith believe are not subject to any investigations or bars from registration. In-house training is also acceptable; however, firms should apply these same criteria to any in-house training personnel. NFA's BASIC system, which can be found on our website, is an excellent resource to check registration and disciplinary history of providers.

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## EXPLANATION OF PROPOSED AMENDMENTS

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As stated earlier, on May 15, 2025, NFA's Board unanimously approved technical amendments to NFA Compliance Rule 2-29, NFA Registration Rules 402, 403 and 504 and Interpretive Notices 9018 and 9051 to replace references to "the Director of Compliance," "the Vice President of Registration" and "Vice President of Registration and Membership" with references to "NFA." NFA's Board approved these changes to ensure that NFA's Rules and Interpretive Notices do not become outdated when titles and roles change within NFA.

Furthermore, as mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the CEA. NFA intends to make the amendments to NFA Compliance Rule 2-29, Registration Rules 402, 503 and 504 and Interpretive Notices entitled *9018 – Registration Rule 402: CPOs of Pools Trading Primarily in Securities* and *9051 – NFA Compliance Rules 2-29 and 2-36: Ethics Training Requirements* 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.

Respectfully submitted,



Carol A. Wooding  
Senior Vice President  
and General Counsel