

March 27, 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 Amendments to NFA Financial Requirements Section 1 and Section 4

Dear Mr. Kirkpatrick:

Pursuant to Section 17(j) of the Commodity Exchange Act ("CEA" or "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 1 and Section 4 to incorporate changes required by CFTC Regulation 1.44 regarding margin adequacy and treatment of separate accounts by FCMs. NFA's Board of Directors ("Board") unanimously approved the proposed amendments to NFA Financial requirements Sections 1 and 4 at its meeting on February 21, 2025.

NFA is invoking the "ten-day" provision of Section 17(j) of the CEA and plans to make the proposed amendments to NFA's Financial Requirements effective as early as ten days after receipt of this submission by the Commission unless NFA is notified that the Commission has determined to review the proposal for approval.

PROPOSED AMENDMENTS

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

FINANCIAL REQUIREMENTS

SECTION 1. FUTURES COMMISSION MERCHANT FINANCIAL REQUIREMENTS.

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(e) A Member FCM for which NFA is the DSRO that is required to file any document with or give any notice to its DSRO under CFTC Regulations 1.10 [Financial reports of

futures commission merchants and introducing brokers], 1.12 [Maintenance of minimum financial requirements by futures commission merchants and introducing brokers], 1.16 [Qualifications and reports of accountants], ~~or 1.17 [Minimum financial requirements for futures commission merchants and introducing brokers], or 1.44 [Margin adequacy and treatment of separate accounts]~~ or is required to file any financial report or statement (e.g., FOCUS Reports) with any other securities or futures self-regulatory organization of which it is a member shall also file one copy of such document with or give such notice to NFA, in a form and manner required by NFA, no later than the date such document or notice is due to be filed with or given to the CFTC or the self-regulatory organization.

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SECTION 4. FINANCIAL REQUIREMENTS AND TREATMENT OF CUSTOMER PROPERTY.

(a) Any Member FCM, RFED, or IB who violates any of CFTC Regulations 1.10, 1.12, 1.16, 1.17, 1.20 through 1.30, 1.44, 5.6, 5.7, 30.7 or 22.2 through 22.17 (as applicable) shall be deemed to have violated an NFA Requirement.

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EXPLANATION OF PROPOSED AMENDMENTS

On January 22, 2025, the Commission published final amendments to a number of Commission regulations regarding margin adequacy and the treatment of separate accounts by FCMs. Newly adopted CFTC Regulation 1.44 applies requirements to FCMs related to margin adequacy and the treatment of separate accounts of a customer. As a result, NFA's Board has approved two technical amendments to NFA's Financial Requirements, which incorporate CFTC Regulation 1.44. The first proposed amendment includes a reference to CFTC Regulation 1.44 in NFA Financial Requirements Section 1 regarding FCM financial requirements and will require FCM Members for which NFA is the DSRO to file notifications required under CFTC Regulation 1.44 with NFA. The second proposed amendment adds a reference to the new CFTC Regulation in NFA Financial Requirements Section 4, which incorporates several other relevant CFTC regulations regarding the treatment of customer property.

NFA's FCM Advisory Committee supported the amendments to NFA Financial Requirements Sections 1 and 4, which NFA's Board unanimously approved. As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the CEA, and intends to make the amendments to Financial Requirements Sections 1 and 4 to comply with CFTC Regulation 1.44 regarding margin adequacy and treatment of

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separate accounts by FCMs 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, reading "Carol A. Wooding". The signature is written in a cursive style with a large, stylized "C" and a long, sweeping underline.

Carol A. Wooding
Senior Vice President and
General Counsel