

November 22, 2021

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 Compliance Rule 2-7 Regarding NFA's Branch Office Manager Examination Requirement

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") the proposed amendments to NFA Compliance Rule 2-7 regarding NFA's Branch Office Manager Examination requirement. On November 18, 2021, NFA's Board of Directors ("Board") unanimously approved the adoption of the proposed amendments.

NFA is invoking the "ten-day" provision of Section 17(j) of the CEA and plans to make the amendments to NFA Compliance Rule 2-7 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.

PROPOSED AMENDMENTS

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

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 2-7. BRANCH OFFICE MANAGERS AND DESIGNATED SECURITY FUTURES PRINCIPALS.

(a) No Member shall allow an Associate to be a branch office manager unless:

(1) The Associate has taken and passed the NFA Branch Manager Examination, *provided, however,* that any Associate who subsequently ceases acting as a branch manager will not be required to retake and pass the examination in order to resume acting as a branch manager unless after acting as a branch manager the Associate was not registered in any capacity for a period of more than two years; ~~or~~

(2) The Associate is sponsored by a registered broker-dealer and is qualified to act as a branch office manager under the rules of either the New York Stock Exchange or the Financial Industry Regulatory Authority; or;

(3) The Member has been approved as a swap firm by NFA and its sole activities are soliciting and accepting orders for swaps subject to the jurisdiction of the CFTC and the Associate has taken and passed NFA's Swaps Proficiency Requirements in accordance with NFA Bylaw 301(l).

EXPLANATION OF PROPOSED AMENDMENTS

NFA Compliance Rule 2-7 generally prohibits a Member firm from permitting an NFA Associate to act as a branch office manager unless the Associate has taken and passed the NFA Branch Office Manager Examination. Currently, the rule applies to Associates approved as Swap APs who act as the branch office manager of a Member that is engaged solely in swaps activities. However, NFA also requires these Swap APs to pass NFA's swaps proficiency requirements, which are directly related to the swap activities of Member firms and include a section on supervision. As a result, NFA's Board determined that it is no longer necessary to require an Associate who has passed the swaps proficiency requirements and who supervises a branch office of a Member that only engages in swap activities, to also pass the Branch Office Manager Examination. NFA's Board amended NFA Compliance Rule 2-7 to exclude Swap APs from the Branch Office Manager Examination requirement.

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As mentioned earlier, NFA is invoking the “ten-day” provision of Section 17(j) of the CEA. NFA intends to make the proposed amendments to NFA Compliance Rule 2-7 effective as soon as ten days after the 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