



May 26, 2026

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: Amendments to NFA Member Dues for Swap Dealer and Major Swap Participant Members and Decrease in NFA's Assessment Fee—NFA Bylaw 1301: Schedule of Dues and Assessments

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 Bylaw 1301 regarding the schedule of dues and assessments. NFA's Board of Directors ("Board") unanimously approved these amendments on May 21, 2026.

NFA is invoking the "ten-day" provision of Section 17(j) of the CEA and plans to make the amendments 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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Bylaws

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BYLAW 1301. SCHEDULE OF DUES AND ASSESSMENTS.



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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~~ 02 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 during the period of July 1, 2026, through June 30, 2027, after which time the assessment will be equal to \$.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~~ 01 for each option contract traded on or entered into subject to the rules of a contract market on a per trade basis during the period of July 1, 2026, through June 30, 2027, after which time the assessment will be equal to \$.02 for each option contract traded on or entered into on a per trade basis

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;

(C) ~~\$.04~~ 02 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 during the period of July 1, 2026, through June 30, 2027, after which time the assessment will be equal to \$.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;



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(D) ~~\$.02~~ 01 for each option contract traded on or entered into subject to the rules of a foreign board of trade on a per trade basis during the period of July 1, 2026, through June 30, 2027, after which time the assessment will be equal to \$.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) or Section 2A(a)(iii), as applicable, of NFA's Articles 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;

(E) ~~\$.02~~ 01 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 during the period of July 1, 2026, through June 30, 2027, after which time the assessment will be equal to \$.02 for each dealer option contract on a per trade basis:

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

(ii) Each FCM for which NFA serves as the DSRO, as defined in NFA Financial Requirements Section 1, shall pay to NFA annual dues of \$5,625 and each FCM for which NFA does not serve as the DSRO as defined in NFA Financial Requirements Section 1, shall pay to NFA annual dues of \$1,500.

Provided, however, that any FCM for which NFA serves as the DSRO, as defined in NFA Financial Requirements Section 1, that has been approved as a swaps firm pursuant to NFA Bylaw 301(l) shall pay \$5,625 plus an additional surcharge of \$1,750.

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(f) Swap Dealer and Major Swap Participant Members

(i) Each Swap Dealer Member that meets the definition of a Large Financial Institution pursuant to Article XVIII of the Articles shall pay to NFA annual dues in the amount of ~~\$1,300,000~~ 1,465,000 effective July 1, 2026, through June 30, 2027, and \$1,600,000 effective July 1, 2027;

(ii) Each Swap Dealer Member that does not meet the definition of a Large Financial Institution pursuant to Article XVIII of the Articles shall pay to NFA annual dues in the amount of ~~\$325,000~~ 365,000 effective July 1, 2026, through June 30, 2027, and \$395,000 effective July 1, 2027;

(iii) Each Major Swap Participant Member shall pay to NFA annual dues in the amount of \$200,000; and

(iv) Any Swap Dealer Member or Major Swap Participant Member that is an affiliate as defined in Article XVIII of the Articles of a Swap Dealer Member that pays annual dues in the amount described in subsections (i) or (ii) above or a Major Swap Participant Member that pays annual dues in the amount described in subsection (iii) above shall pay annual dues in the amount of ~~\$200,000~~ 282,500 effective July 1, 2026 through June 30, 2027 and \$395,000 effective July 1, 2027.

These dues apply when a firm first becomes approved as a Swap Dealer Member or Major Swap Participant Member. Thereafter, dues will be assessed on the firm's membership renewal date. Dues will be invoiced and paid quarterly. If an existing Member becomes approved as a Swap Dealer Member or Major Swap Participant Member, then NFA will send the Member an invoice for the dues amount owed minus any membership dues amount already paid during the firm's current membership year.

Subject to the two-thirds majority voting requirements contained in Article XI, Section 1, the Board may in its discretion waive or establish lower annual dues for particular Members.

EXPLANATION OF PROPOSED AMENDMENTS

At its May 21, 2026 meeting, NFA's Board unanimously approved NFA's Fiscal Year ("FY") 2027 budget and separately unanimously approved an action to recalibrate NFA's two primary revenue drivers (*i.e.*, swap dealer membership dues and the FCM assessment fee). These actions relate to the main revenue sources for the



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Swaps and Futures Regulatory Programs ("RPs"), respectively. NFA's Finance Committee fully supported and recommended these actions to the Board.

Over twenty years ago, NFA's Board adopted the basic structure for NFA's Reserve Policy ("Policy"), which targets NFA having a reserve level equal to 12 months of operating expenses (with the ability to fluctuate between ten-to-fourteen months). The Policy also treats the Swaps and Futures RPs as separate and requires that absent Board action suspending the Policy, they each maintain ten-to-fourteen months of operating reserves. The Swap RP's reserves are currently below ten months of its operating expenses and the Futures RP's reserves currently exceed fourteen months of its operating expenses. In February 2025, the Board suspended the Policy to allow for these two occurrences, which have been in place for the entirety of FY 2026.

While the Board's action in February 2025 did not specify a time frame for the Policy's suspension duration, NFA's Finance Committee during FY 2026 discussed potential solutions to bring both RPs back into reserve equilibrium. The Board adopted the Finance Committee's recommendations as described below to realign each RP's primary revenue driver to gradually bring each RP back within the Policy's terms. These two actions decrease NFA's FY 2027 budget revenue by approximately 26% compared to projected FY 2026 revenue and allow NFA to intentionally operate at a \$26M cash deficit in FY 2027.

Increase to Swap Dealer Member Dues

NFA Bylaw 1301(f) imposes annual dues on NFA Member SDs and major swap participants (MSPs).¹ The current Swaps RP's dues framework has three tiers for SD Member firms—Large Financial Institution (LFI) SDs, non-Large Financial Institution (non-LFI) SDs and SD Member affiliates (of either an LFI or non-LFI). NFA initially adopted the dues structure for the Swaps RP in 2013 and last increased the Swaps RP's membership dues in NFA FY 2022 (effective January 2022). At that time, NFA indicated that it did not expect to have to increase SD dues further through FY 2026 (*i.e.*, June 30, 2026). For the reasons described below, NFA's Board amended Bylaw 1301(f) to increase these annual dues amounts, which will be the second increase in SD dues since we began collecting dues in 2013. NFA projects that this increase may provide, absent exigent circumstances, sufficient revenue to the Swaps RP through FY 2031 (June 30, 2031), and this increase is equivalent to increasing the Swaps RP's dues less than 2.5% annually since 2013.

¹ There are currently no NFA Member MSPs.



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Over the years, NFA's Board has adhered to several longstanding guiding principles relating to NFA's and the Swaps RP's revenue structure and the collection of dues and fees. First, any structure should be fair, equitable and have stability and predictability. Second, the structure must provide sufficient revenue to cover NFA's regulatory costs. Third, the structure should be simple and easy to administer for NFA Members and NFA staff. Finally, the revenue from one regulatory program (e.g., Futures) should not subsidize another Member regulatory program (e.g., Swaps).

Currently, the Swaps RP sits at about nine months of operating expenses, and accordingly, the second dues increase in almost 15 years is necessary to bring the program back into reserve equilibrium.

NFA staff have continued to adopt a strategic approach to enhance the effectiveness and efficiency of substantive aspects of the Swaps RP, including registration reviews, examination scheduling and testing module enhancements and monitoring activities. In doing so, staff analyzed the time expended by NFA to effectively carry out its core oversight functions for each type of SD Member and drew the following conclusions:

- Examinations and oversight of LFI SDs involve greater resources than non-LFI SDs;
- Examinations and oversight of affiliated SD Members with an LFI corporate family involve nearly the same resources as stand-alone non-LFI SDs; and
- SDs subject to the CFTC (and NFA's) capital rules, and those with NFA margin and/or capital model approval, add a material layer of complexity that requires NFA to allocate additional resources.

In developing a plan to bring the Swaps RP into reserve equilibrium, staff assumed that the number of SD Members would remain fairly constant near 108 and the Swaps RP's staff level would each remain near flat at 105. The number of SD Members has not changed significantly since 2013 and the Swaps RP's staff level has decreased by approximately 12% since the last dues increase in FY 2022. Given these assumptions, staff projects that the Swaps RP will be above ten months of its operating expenses by the end of FY 2028, and it will remain there until at least FY 2031.



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As previously noted, NFA's oversight of affiliated SD Members involves nearly the same resources as stand-alone non-LFI SDs. Further, affiliated SD Members are the largest group of SD Members that are subject to the CFTC's capital and margin rules, which requires that NFA devote additional resources to these SDs. Accordingly, NFA's Board concluded that the annual dues structure for affiliates should be the same as those for non-LFIs. In addition, the Board determined that it was appropriate to phase in the SD dues increases over a two-year period.

Therefore, NFA's Board approved the following increases to annual dues, which will be effective July 1, 2026, and July 1, 2027, as follows:

- LFI SD Members annual dues will increase from \$1,300,000 to \$1,465,000 effective July 1, 2026 through June 30, 2027, and \$1,600,000 effective July 1, 2027;
- Non-LFI SD Members annual dues will increase from \$325,000 to \$365,000 effective July 1, 2026 through June 30, 2027, and \$395,000 effective July 1, 2027; and
- SD Member affiliates annual dues will increase from \$200,000 to \$282,500 effective July 1, 2026 through June 30, 2027, and \$395,000 effective July 1, 2027.

The increase in SD Member dues over the two-year phase in period is projected to generate additional revenue for the Swaps RP of approximately \$7.5M in FYs 2027 and 2028, for a total of \$15M over both FYs.

Decrease in the Assessment Fee

As mentioned previously, NFA's Futures RP is almost exclusively funded by the FCM assessment fee imposed on certain market participants. The Futures RP's reserves currently exceed 14 months because public trading volume growth has exceeded projections and increased on average 11% over the past three and five-year periods. The Futures RP's current strong financial position presents an opportunity to reduce, for at least one year, the assessment fee rate to bring the program's reserves over time within the Policy's terms.

Therefore, to bring the Futures RP's reserves towards the ten-to fourteen month range approved by the Board, the Board approved an amendment to Bylaw 1301(b) to reduce the assessment fee from \$.02 per side to \$.01 per side. However, since the assessment fee reduction will cut the Futures RP's revenue nearly in half, the



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Board determined it would be prudent for the reduction to only be temporary (*i.e.*, July 1, 2026 through June 30, 2027), after which time the assessment fee will revert to \$.02 per side.

As stated earlier, NFA's Board unanimously approved the proposed amendments to Bylaw 1301 regarding the schedule of dues and assessments on May 21, 2026, and NFA is invoking the "ten-day" provision of Section 17(j) of the CEA. NFA intends to make the proposal 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. At that time, NFA intends to issue a Notice to Members to notify Members that the Board has approved the increase in SD dues as well as the reduction in the assessment fee, which will provide the industry with sufficient time to make any changes necessary to implement the increase in SD membership dues and the decrease in the assessment fee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Hawrysz". The signature is fluid and cursive, with a large initial "D" and "H".

David L. Hawrysz
Senior Vice President and
Chief Financial Officer