

May 25, 2010

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: Payment of Dues and Assessments –
Proposed Amendments to NFA's Bylaw 1302*

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") proposed amendments to NFA Bylaw 1302 regarding payment of dues and assessments. This proposal was approved by NFA's Board of Directors ("Board") on May 20, 2010.

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.

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

NFA'S BYLAWS

* * *

CHAPTER 13. SCHEDULE OF DUES AND ASSESSMENTS

* * *

BYLAW 1302. PAYMENT OF DUES AND ASSESSMENTS.

Annual dues and fees shall be payable in advance on the first day of January of each year, or at such other time or times as the Board shall determine. Members paying dues or fees after the date they are payable shall be subject to a late payment charge of \$25 per month or portion thereof. Assessments based upon futures or forex transactions shall be payable to NFA within 30 days after the end of each month for transactions effected during that month. In addition to such assessments each FCM, Forex Dealer Member, and LTM shall pay to NFA an amount equal to one month's interest at an annual rate of 10 percent (or such other rate of interest as the President, with the concurrence of the Executive Committee, may determine from time to time) on the amount of any such assessment payable by that Member for every month or fraction thereof such assessment payment is late. If a Member claims overpayment of its assessments based upon futures or forex transactions, the Member may request a refund in writing with supporting documentation at any time prior to the end of the ~~18~~¹⁸th calendar month following the due date for payment of assessments for the month with respect to which such claimed overpayment was made. After that time, no refunds, adjustments or offsets will be made or allowed. Except as the Board may otherwise provide by resolution, each Member shall pay dues and assessments, as applicable, for each category in which the Member — or an affiliate thereof, unless such affiliate is a Member in its own right — is registered with the Commission and conducts business.

EXPLANATION OF PROPOSED AMENDMENTS

NFA Bylaw 1302 governs the payment of dues and assessments by contract markets and FCM Members. Bylaw 1302 states, in pertinent part, that if a Member claims overpayment of its assessments based upon futures or forex transactions, the Member may request a refund at any time prior to the end of the 18th calendar month following the due date for payment of assessments for the month with respect to which such claimed overpayment was made. After that time, no refunds, adjustments or offsets will be made or allowed.

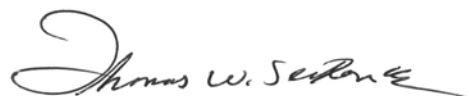
NFA's Board adopted this eighteen-month time period in 1986. At that time, Members had requested refunds or deductions from current assessment fees based on overpayments made over two years prior to a request. In establishing a time limitation, the Board stated that if a Member has the ability to request a refund of an overpayment made at any time in the past, then NFA's accounting records are, in effect, never closed with respect to assessment fees. The Board noted that unlimited requests for overpayments of assessment fees could conceivably result in a substantial and unanticipated draw on NFA's assets.

Over the years, NFA has usually received only a handful of refund requests each year. For example: in Fiscal 2010, two FCMs have requested refunds for an amount totaling approximately \$63,000; in Fiscal 2009, three FCMs requested refunds for an amount totaling approximately \$163,500; in Fiscal 2008, one FCM requested a refund for an amount totaling approximately \$35,000; in Fiscal 2007, three FCMs requested refunds for an amount totaling approximately \$48,000; and in Fiscal 2005, one FCM requested a refund for an amount totaling approximately \$8,000. These requests were made for overpayments covering time periods ranging from two to eighteen months, with five of the ten requests covering overpayment periods of a year or more.

Although few requests are made each year, NFA is concerned about the amount of time covered by these overpayment requests. In particular, the current eighteen-month period requires NFA to have an unreasonably long potential unknown liability for assessment fees. Additionally, given the fact that the overpayment amounts are not insubstantial, the eighteen-month period increases the likelihood that refund requests could result in a material and unanticipated draw on NFA's assets. Therefore, NFA's Board felt that reducing Bylaw 1302's eighteen-month time period to six months diminishes the likelihood that an unknown liability will surface in the future.

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 Bylaw 1302 regarding payment of dues and assessments effective on July 1, 2010, unless the Commission notifies NFA that the Commission has determined to review the proposal for approval.

Respectfully submitted,



Thomas W. Sexton
Vice President and General Counsel

* The proposed amendments to NFA's Bylaw 1302 became effective July 1, 2010.