

September 7, 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: Forex Registration Requirements –
Proposed Amendments to NFA's Bylaw 301; Registration Rules and the
Interpretive Notice Regarding Registration Requirements; Branch Offices*

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 301 and Registration Rules regarding Forex Registration Requirements and the Interpretive Notice regarding Registration Requirements for branch offices. NFA’s Board of Directors (“Board”) approved the proposal on August 21, 2008. NFA’s Executive Committee, as authorized by the Board, approved additional amendments on August 31, 2010, to conform the proposal to the CFTC’s Forex rules issued on August 30, 2010. The Board will ratify the Executive Committee’s action at its November 18, 2010 meeting.

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 underscoring and deletions are ~~stricken through~~)

BYLAWS

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**CHAPTER 3
MEMBERSHIP AND ASSOCIATION WITH A MEMBER**

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BYLAW 301. REQUIREMENTS AND RESTRICTIONS.

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(d) Qualification

Except as provided in paragraph (e) below, no person may become or remain an FCM, RFED, CTA, CPO, IB or LTM Member or associated with such Member unless qualified to do so in conformity with such standards of training and experience and proficiency testing requirements as NFA shall establish and such other qualification standards as NFA finds necessary or desirable.

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(f) Application

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(iv) Database Security

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(c) Each FCM, RFED, IB, CPO or CTA applicant or Member shall make available any person it has authorized to make or actually performing duties related to electronic filings, for testimony in court or before the Commission, NFA or any contract market or DTF regarding authentication, integrity or accuracy of any electronic filing; and

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(h) Suspension and Termination of Membership and Associate Membership

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(viii) Failure to Submit Annual Questionnaire

On an annual basis, NFA shall provide each NFA Member FCM for which NFA is the Designated Self-Regulatory Organization, RFED, IB, CPO, CTA, and LTM with a questionnaire concerning its business activities. The Member shall complete the questionnaire and submit the completed questionnaire on the date specified thereon. NFA shall deem the failure to file the completed questionnaire within 30 days following such date a request to withdraw from NFA Membership, and shall notify the Member accordingly.

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(j) Eligibility to Conduct Forex Activities

(i) No Member that is required to be registered with the Commission as an FCM, RFED, IB, CPO, or CTA in connection with its forex activities may commence forex activities unless approved as a forex firm by NFA.

(1) In addition to being approved by NFA as a forex firm, an RFED or an FCM that is a Forex Dealer Member must also be designated by NFA as an approved Forex Dealer Member.

(A) No FCM may be designated as an approved Forex Dealer Member unless such FCM provides NFA with satisfactory evidence that it meets the requirements in NFA Financial Requirements Section 11.

(ii) No person associated with a Member that is required to be registered with the Commission as an FCM, RFED, IB, CPO, or CTA in connection with its forex activities may commence forex activities on behalf of such Member unless approved as a forex associated person by NFA.

(iii) No Member may be approved as a forex firm unless at least one of its principals is registered as an "associated person" and approved as a forex associated person.

(1) If any Member that has been approved as a forex firm fails to have at least one principal that is registered as an "associated person" and approved as a forex associated person, then NFA shall deem such failure as a request to have the approval of the Member as a forex firm withdrawn and shall notify that Member accordingly.

(iv) Any request for designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person must be filed electronically through NFA's Online Registration System.

(v) Any individual applying for designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person shall not be granted designation as an approved Forex Dealer Member or approval as a forex firm or forex associated person unless:

(1) The applicant has satisfied the proficiency requirements under NFA Registration Rule 401(a) or 401(e) and:

(A) NFA has received satisfactory evidence that the applicant has taken and passed the Retail Off-Exchange Forex Examination (Series 34) on a date which is no more than two years prior to the date the application is received by NFA;

(B) NFA has received satisfactory evidence that the applicant has taken and passed the Retail Off-Exchange Forex Examination (Series 34) and since the date the applicant last passed such examination, there has been no period of two consecutive years during which the applicant has not been either registered as a FB, AP or principal of an FCM, RFED, IB, CTA, CPO, or LTM; or

(C) the applicant was duly registered under the Act as a FB, AP or sole proprietor FCM, IB, CTA, CPO or LTM on May 22, 2008, and there has been no period of two consecutive years since May 22, 2008, during which the applicant has not been registered as a FB, AP or principal of an FCM, RFED, IB, CTA, CPO or LTM.

(k) Withdrawal of Designation as an Approved Forex Dealer Member or Approval as a Forex Firm

A Member may request that its designation, or pending application for designation, as an approved Forex Dealer Member or approval, or pending application for approval, as a forex firm be withdrawn by filing such a request through NFA's Online Registration System. Such a request shall become effective on the 30th day after the Member files the request, or earlier upon notice from NFA of the granting of such request.

(i) Withdrawal of the approval of a Member as a forex firm shall also result in the withdrawal of the designation of the Member as an approved Forex Dealer Member.

(j l) Notice.

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REGISTRATION RULES

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PART 100 DEFINITIONS

Rule 101 Definitions

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(c) "**Applicant**" – means a person seeking registration under the Act as an FCM, RFED, IB, CPO, CTA or LTM, an associated person of any of the foregoing, color broker ("FB") or floor trader ("FT").

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(i) "**Forex**" – has the same meaning as in NFA Bylaw 1507(b).

(l j) "**Form 7-R**"-means the entire Form 7-R or any portions of the Form 7-R that NFA requires an applicant to file to obtain registration as an FCM, RFED, IB, CPO, CTA or LTM.

(j k) "**Form 8-R**"-means the entire Form 8-R or any portions of the Form 8-R that NFA requires to be filed for an individual to obtain registration as an AP, FB or FT or because an individual is a principal of an applicant or registrant.

(k l) "**Form 3-R**"-means the entire Form 3-R or any portions of the Form 3-R that NFA requires to be filed to correct any inaccuracy or deficiency in an applicant's or registrant's registration information.

(l m) "**Form 7-W**"-means the entire Form 7-W or any portions of the Form 7-W that NFA requires a registrant to file to withdraw from registration or to withdraw an application for registration as an FCM, RFED, IB, CPO, CTA or LTM.

(~~m~~ n) "**Form 8-T**"-means the entire Form 8-T or any portions of the Form 8-T that NFA requires an applicant or registrant to file to notify NFA that an individual did not become or is no longer associated or affiliated with it as an AP, Branch Office Manager or principal.

(~~n~~ o) "**Form 8-W**"-means the entire Form 8-W or any portions of the Form 8-W that NFA requires a registrant to file to withdraw from registration as a FB or FT.

(~~o~~ p) "**Membership Committee**"-means an NFA Committee formed pursuant to NFA Bylaw 701.

(~~p~~ q) "**NFA**"-means National Futures Association.

(~~q~~ r) "**NFA Requirements**"-means NFA Bylaws, Compliance Rules, Registration Rules, Financial Requirements, Code of Arbitration and Member Arbitration Rules.

(~~r~~ s) "**Person**"-means an individual, association, partnership, corporation, trust or any other form of business organization.

(~~s~~ t) "**Principal**"-means, with respect to an applicant, a registrant, or a person required to be registered under the Act:

(1) an individual who is:

- (A) a proprietor of a sole proprietorship;
- (B) a general partner of a partnership;
- (C) a director, president, chief executive officer, chief operating officer, chief financial officer or a person in charge of a business unit, division or function subject to regulation by the Commission of a corporation, limited liability company or limited liability partnership; or
- (D) a manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; or

(2) an individual who directly or indirectly, through agreement, holding companies, nominees, trusts or otherwise:

- (A) is the owner of 10% or more of the outstanding shares of any class of an applicant or registrant's stock;
- (B) is entitled to vote 10% or more of any class of an applicant or

registrant's voting securities;

(C) has the power to sell or direct the sale of 10% or more of any class of an applicant or registrant's voting securities; (D) has contributed 10% or more of an applicant or registrant's capital;

(E) is entitled to receive 10% or more of an applicant or registrant's net profits;

(F) or has the power to exercise a controlling influence over an applicant or registrant's activities that are subject to regulation by the Commission; or

(3) an entity that:

(A) is a general partner of a partnership;

(B) is the direct owner of 10% or more of any class of an applicant or registrant's securities; or

(C) has directly contributed 10% or more of an applicant or registrant's capital unless such capital contribution consists of subordinated debt contributed by:

(i) an unaffiliated bank insured by the Federal Deposit Insurance Corporation;

(ii) a United States branch or agency of an unaffiliated foreign bank that is licensed under the laws of the United States and regulated, supervised and examined by United States government authorities having regulatory responsibility for such financial institutions; or

(iii) an insurance company subject to regulation by any State.

(~~t~~ u) "**Registrant**"-means a person registered under the Act as an FCM, RFED, IB, CPO, CTA, LTM, an AP of any of the foregoing, FB or FT.

(~~u~~ v) "**Rules**"-means NFA Registration Rules.

(~~v~~ w) "**Sponsor**"-means the applicant or registrant FCM, RFED, IB, CPO, CTA or LTM that files a Form 8-R for an individual associated with it to become registered as an AP or for an individual principal.

(~~w~~ x) "**Supplemental Guarantor Certification Statement ("SGCS")**"-means a statement executed by an IB's guarantor wherein the guarantor indicates that it meets the requirements set forth in Rule 509(b)(5) to sponsor a conditioned IB and its

willingness to supervise the IB subject to certain conditions imposed by NFA's President or its Membership Committee under these Rules or by the Commission.

(× y) "**Supplemental Sponsor Certification Statement ("SSCS")**"-means a statement executed by an AP's, FB's or FT's sponsor wherein the sponsor indicates that it meets the requirements set forth in Rule 509(b)(5) to sponsor a conditioned AP, FB or FT and its willingness to supervise the AP, FB or FT subject to certain conditions imposed by NFA's President or its Membership Committee under these Rules or by the Commission.

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PART 200 REGISTRATION REQUIREMENTS AND PROCEDURES

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RULE 203. REGISTRATION FEES.

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(9) **Annual Registration Records Maintenance Fee:** \$100 for each registration category as an FCM, RFED, IB, CPO, CTA or LTM.

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(15) Retail Foreign Exchange Dealer: \$500 for each Form 7-R filed for registration as an RFED.

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RULE 204. REGISTRATION OF FUTURES COMMISSION MERCHANTS, NOTICE FUTURES COMMISSION MERCHANTS, RETAIL FOREIGN EXCHANGE DEALERS, INTRODUCING BROKERS, NOTICE INTRODUCING BROKERS, COMMODITY POOL OPERATORS, COMMODITY TRADING ADVISORS AND LEVERAGE TRANSACTION MERCHANTS AND CONFIRMATION OF EXEMPTION FROM REGISTRATION PURSUANT TO COMMISSION REGULATION 30.5.

(a) Application for Registration or Exemption from Registration.

(1)(A) Each person applying for registration as an FCM, RFED, IB, CPO, CTA or LTM must:

(i) file a Form 7-R, completed and filed in accordance with all pertinent instructions;

(ii) pay the fee required by Rule 203(a); and

(iii) file an Acknowledgement of Conditioned Registration executed by the sponsor if the applicant is subject to a Commission or NFA order imposing conditions on its registration.

(B) Each application for registration as an FCM or an IB also must be completed and filed in accordance with CFTC Regulation 1.10.

(C) Each application for registration as a CPO also must be completed and filed in accordance with CFTC Regulation 4.13(c).

(D) Each application for registration as an LTM also must be completed and filed in accordance with CFTC Regulation 31.13.

(E) Each application for registration as an RFED also must be completed and filed in accordance with CFTC Regulation 5.12.

(2)(A) Each applicant for registration as an FCM, RFED, IB, CPO, CTA or LTM must have at least one individual principal affiliated with it and for each of its individual principals must:

(i) file a Form 8-R completed and filed in accordance with all pertinent instructions;

(ii) pay the fee required by Rule 203(a); and

(iii) file the fingerprints of each individual principal on a fingerprint card provided by NFA for that purpose, unless the principal qualifies for an exemption from the fingerprinting requirement pursuant to Rule 209.

(B) Each individual principal must verify the completeness and accuracy of the information contained in his Form 8-R.

(C) The provisions of paragraphs (a)(2)(A)(ii) and (iii) and (a)(2)(B) do not apply to an individual principal who has a current active status at the time the applicant files the individual principal's Form 8-R.

(3) When NFA determines that an applicant for registration as an FCM, RFED, IB, CPO, CTA or LTM and all of its principals appear fit for registration, NFA will provide notification to the applicant that the applicant's registration is granted.

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(c) Duration of Registration.

(1) A person who becomes registered as an FCM, RFED, IB, CPO, CTA or LTM in accordance with this Rule shall continue to be so registered until the effective date of any revocation or withdrawal of such registration. Such person is prohibited from engaging in activities requiring registration under the Act or from representing himself to be a registrant under the Act or the representative or agent of a registrant during the pendency of any suspension of such registration.

(2) A person registered as an IB who was a party to a guarantee agreement with an FCM or an RFED in accordance with CFTC Regulation 1.10(j) will be deemed to have requested a withdrawal of its registration effective 30 days after the termination of such guarantee agreement unless the procedures set forth in CFTC Regulation 1.10(j)(9) are followed.

(d) Annual Filing and Registration Records Maintenance Fees.

(1) On an annual basis, NFA shall send a notice to each FCM, RFED, IB, CPO, CTA, and LTM registered in accordance with paragraph (a)(1) of this Rule advising each that it must electronically file an Annual Registration Update by a specified date. NFA shall also send an invoice to each FCM, RFED, IB, CPO, CTA, and LTM registered in accordance with paragraph (a)(1) of this Rule or confirmed as exempt from registration in accordance with paragraph (a)(5) of this Rule or pursuant to CFTC Regulation 30.10 requesting payment of the annual registration records maintenance fee set forth in Rule 203(a) and any other outstanding registration fees. NFA shall deem the failure to file the Annual Registration Update or to pay the required annual registration records maintenance fee and any other outstanding registration fees within 30 days following the specified date a request to withdraw from registration or to withdraw the confirmation of the exemption pursuant to CFTC Regulation 30.5 or CFTC Regulation 30.10, and shall notify the registrant or IB, CPO or CTA confirmed as exempt from registration pursuant to CFTC Regulation 30.5 or CFTC Regulation 30.10 accordingly.

(2) Each FCM, RFED, IB, CPO, CTA, and LTM registered in accordance with paragraph (a)(1) of this Rule or confirmed as exempt from registration in accordance with paragraph (a)(5) of this Rule or pursuant to CFTC Regulation 30.10 whose registration or confirmation of exemption is withdrawn pursuant to this Rule may request, within 60 days of the withdrawal date, to have its registration or confirmation of exemption reinstated. Reinstatement requests received between 30 and 60 days from the withdrawal date are subject to the Reinstatement Fee as set forth in Rule 203(a). Provided that NFA receives all fees, including the required reinstatement fee and the annual registration records maintenance fee as set forth in Rule 203(a), and any other outstanding registration fees within 60 days of the withdrawal date, NFA shall reinstate the registration or confirmation of exemption. If the withdrawal was due in whole or in part to the failure to file the Annual Registration Update, the registration will be reinstated but will be subject to a deemed request to withdraw such registration. The failure to file the Annual Registration Update within 30 days following the reinstatement date shall result in the withdrawal of registration. Only one request for reinstatement may be made annually.

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RULE 206. REGISTRATION OF ASSOCIATED PERSONS OF FUTURES COMMISSION MERCHANTS, RETAIL FOREIGN EXCHANGE DEALERS INTRODUCING BROKERS, COMMODITY POOL OPERATORS, COMMODITY TRADING ADVISORS AND LEVERAGE TRANSACTION MERCHANTS.

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RULE 207. MULTIPLE ASSOCIATIONS.

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(d) if an individual is associated with an FCM, RFED, or an IB and he directs customers seeking a managed account to use services of a CTA(s) approved by the FCM, RFED, or IB and all such customers' accounts solicited or accepted by that AP are carried by the FCM or RFED or introduced by the IB with which the AP is associated, such individual shall be deemed to be associated solely with the FCM, RFED, or IB and may not register as an AP of the CTA(s).

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RULE 208. REPORTING OF PRINCIPALS.

(a) Unless otherwise provided in this Rule:

(1) an applicant for registration as an FCM, RFED, IB, CPO, CTA or LTM must comply with the provisions of Rule 204(a)(2) for each individual who is a principal of the applicant at the time the applicant files its application for registration; and

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RULE 209. ALTERNATIVE TO THE FINGERPRINT FILING REQUIREMENT IN CERTAIN CASES.

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(c) In lieu of submitting a fingerprint card in accordance with the provisions of Rules 204(a)(2) and 208, any FCM, RFED, IB, CTA, CPO or LTM that has a principal who is a director but is not also an officer or employee of the firm ("outside director") may file with NFA a Notice Pursuant to CFTC Regulation 3.21(c). A firm that has filed a Notice Pursuant to CFTC Regulation 3.21(c) with respect to an outside director described therein must file with NFA on behalf of such outside director a Form 8-R completed in accordance with all pertinent instructions and verified by the outside director.

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RULE 210. DEFICIENCIES, INACCURACIES AND CHANGES TO APPLICATION INFORMATION MUST BE REPORTED.

(a) Each applicant or registrant as an FCM, RFED, IB, CPO, CTA, LTM, FB or FT must promptly correct any deficiency or inaccuracy in a Form 7-R or Form 8-R which no longer renders accurate the information contained therein. Each such correction must be made on a Form 3-R and must be completed and filed in accordance with all pertinent instructions. Except when changing to or from a sole proprietorship, an applicant or registrant may file a Form 3-R for purposes of reporting a change in its form of organization. If a Form 3-R is filed to report a change in the applicant's or registrant's form of organization, the newly formed organization will be liable for all obligations of the pre-existing organization which arose out of the Act or the Regulations thereunder. A registrant or applicant that is changing form of organization to or from a sole proprietorship must file a Form 7-R for the newly formed organization and a Form 7-W for the pre-existing organization

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RULE 212. REGISTRATION IN ONE CAPACITY DOES NOT INCLUDE REGISTRATION IN ANY OTHER CAPACITY.

(a) Except as may be otherwise provided in the Act or in any Rule, Regulation, or order of the Commission, each AP, FB, FT, FCM, RFED, IB, CPO, CTA and LTM must register as such under the Act. Registration in one capacity under the Act shall not include registration in any other capacity.

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PART 300 TEMPORARY LICENSES

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RULE 302. TEMPORARY LICENSING FOR GUARANTEED INTRODUCING BROKERS.

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(a) Qualifications. Notwithstanding any other provisions of these Rules, and pursuant to the terms and conditions of this Rule, NFA may grant a TL to any applicant for registration as an IB. To be eligible for a TL:

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(2) ~~The~~ If an FCM ~~that~~ will be the guarantor it:

(A) must be eligible in accordance with all NFA Requirements to enter into such an agreement;

(B) must file with NFA:

(i) a properly completed guarantee agreement (Form 1-FR Part B);

(ii) a certification stating that to the best of the FCM's knowledge, information, and belief, all of the publicly available information supplied by the applicant and its principals on the Forms 7-R and 8-R is accurate and complete;

(iii) and if the IB's registration is subject to conditions, an Acknowledgement of Conditioned Registration signed by the FCM

(who must meet the requirements set forth in Rule 509(b)(5)) that contains all of the conditions required by the order imposing them;

(3) If an RFED will be the guarantor it:

(A) must be eligible in accordance with all NFA Requirements to enter into such an agreement;

(B) must file with NFA:

(i) a properly completed guarantee agreement (Form 1-FR Part B);

(ii) a certification stating that to the best of the RFED's knowledge, information, and belief, all of the publicly available information supplied by the applicant and its principals on the Forms 7-R and 8-R is accurate and complete;

(iii) and if the IB's registration is subject to conditions, an Acknowledgement of Conditioned Registration signed by the RFED (who must meet the requirements set forth in Rule 509(b)(5)) that contains all of the conditions required by the order imposing them;

(34) At least one principal of the IB is an applicant for registration as an AP of the IB or is a registered FB;

(45) Each principal who is an individual must meet the eligibility requirements for a TL in any capacity; and

(56) NFA has received satisfactory evidence that each principal who is applying for registration as an AP of the IB satisfies the proficiency requirements contained in Part 400 of these Rules.

(b) A guarantee agreement filed in connection with paragraph (a)(2)(B)(i) or (a)(3)(B)(i) of this Rule shall become effective upon the granting of the TL.

(c) Restrictions Upon Activities.

(1) An applicant for registration as an IB who has received notification from NFA that a TL has been granted may act in the capacity of an IB, subject to all CFTC rules, regulations, orders, and all NFA requirements.

(2) An applicant for registration as an IB who has received a TL may be guaranteed by an FCM or RFED other than the FCM or RFED which provided the initial guarantee agreement described in paragraph (a)(2)(B)(i) or (a)(3)(B)(i) of this Rule if the IB submits to NFA:

- (i) written notice of the termination of the initial guarantee agreement; and
- (ii) a properly completed new guarantee agreement (Form 1-FR Part B) which will become effective the day following the last effective date of the initial guarantee agreement.

Such written notice and new guarantee agreement must be submitted to NFA 10 days prior to the termination of the initial guarantee agreement or within such other period of time as NFA may allow for good cause shown, in accordance with NFA Requirements and CFTC Regulations 1.10(j)(5)(ii), ~~or (j)(6)~~.

(d) Termination of a Temporary License.

(1) A TL shall terminate:

- (A) five (5) days after service upon the applicant of a notice by NFA pursuant to Rule 504 that the applicant may be disqualified from registration under Sections 8a(2) through 8a(4) of the Act;
- (B) upon the revocation or withdrawal of the guarantor FCM's or RFED's registration;
- (C) immediately upon termination of the applicant's guarantee agreement in accordance with NFA Requirements and CFTC Regulations 1.10(j)(5)(ii), ~~or (j)(6)~~, unless a new guarantee agreement is filed in accordance with paragraph (c)(2) of this Rule;

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(F) upon notice to the applicant and its guarantor FCM or RFED that:

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(f) Retention of Records. In accordance with Commission Regulation 1.31, the guarantor FCM or RFED must retain such records as are necessary to support the certification required by this Rule.

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PART 400. PROFICIENCY REQUIREMENTS

RULE 401. QUALIFICATION TESTING REQUIREMENT.

(a) Except as provided elsewhere in this Rule, any individual applying to become a Member of NFA as an FCM, an RFED, an IB, a CPO, a CTA, an LTM, or for registration under the Act as an AP of any of the foregoing, or applying for registration with NFA as an Associate pursuant to NFA Bylaw 301(b) shall not be granted NFA membership, registered under the Act as an AP, or registered as an Associate Member of NFA unless:

(1) NFA has received satisfactory evidence that the applicant has taken and passed the National Commodity Futures Examination (Series 3) on a date which is no more than two years prior to the date the application is received by NFA; or

(2) NFA has received satisfactory evidence that the applicant has taken and passed the National Commodity Futures Examination (Series 3) and since the date the applicant last passed such examination, there has been no period of two consecutive years during which the applicant has not been either registered as a FB, AP or principal of an FCM, RFED, IB, CTA, CPO or LTM.

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(e) Notwithstanding the provisions of Rule 401(a), any individual applying to become a Member of NFA as an FCM, an RFED, an IB, a CPO, a CTA, an LTM, or for registration under the Act as an AP of any of the foregoing, or applying for registration with NFA as an Associate pursuant to NFA Bylaw 301(b), will satisfy the proficiency requirements of this Rule if:

(1) the applicant is or within the past two years has been registered or licensed in a jurisdiction outside the United States;

(2) the applicant has satisfied the proficiency requirements in that foreign jurisdiction and the Board of Directors has designated those proficiency requirements as an appropriate substitute for the market fundamentals portion of the National Commodity Futures Examination (Series 3); and

(3) NFA has received satisfactory evidence that the applicant has taken and passed the Limited Futures Examination-Regulation (Series 32) on a date which is no more than two years prior to the date the application is received by NFA; or

(4) NFA has received satisfactory evidence that the applicant has taken and passed the Limited Futures Examination-Regulation (Series 32) and since the date the applicant last passed such examination, there has been no period of two consecutive years during which the applicant has not been either registered as an AP or a principal of an FCM, RFED, IB, CTA, CPO or LTM.

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PART 500. PROCEEDINGS TO DENY, CONDITION, SUSPEND, AND REVOKE REGISTRATION

RULE 501. AUTHORITY TO DENY, CONDITION, SUSPEND AND REVOKE REGISTRATION.

NFA may refuse to register or register conditionally any person registered or applying for registration as an FCM, RFED, IB, CPO, CTA, LTM, ATM, as an AP of any of the foregoing, or as a floor broker or floor trader, or suspend or revoke the registration of any registrant in those categories, based upon the standards of fitness set forth in the Act. Interim Orders and Final Orders denying, revoking, conditioning, or suspending registration shall be made by the Membership Committee or a designated Subcommittee in accordance with the procedures set forth in Part 500 of these Rules. Such designated Subcommittee shall consist of three members of the Membership Committee for all categories except floor brokers and floor traders. The designated Subcommittee for floor brokers/floor traders shall consist of at least three persons, the majority of whom are members of the Membership Committee and the remainder of whom are registered floor brokers or floor traders approved by NFA's Board of Directors to be a member of such Subcommittee. At least one-third of the members on each designated Subcommittee shall not be an NFA Member or an Associate or an employee of an NFA Member. In cases submitted by the President to the Membership Committee or a designated Subcommittee, registration shall not be granted pending a final determination by the Membership Committee or a designated Subcommittee. No member of the Membership Committee or a designated Subcommittee shall either review a registration matter or participate in a registration action if the member, or any person with whom the member is connected, has a financial, personal or other direct interest in the matter under consideration or is disqualified under Bylaw 708(c).

RULE 502. GENERAL PROVISIONS

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(b) A copy of any notice served in accordance with paragraph (a)(1) of this Rule shall also be served upon:

(1) any sponsor of the applicant or registrant, if the applicant or registrant is an individual registered as or applying for registration as an AP and such sponsor's guarantor, if any; or

(2) any FCM which has entered into a guarantee agreement pursuant to CFTC Regulation 1.10(j) with an applicant or registrant applying for registration as or registered as an IB; or

(3) any RFED which has entered into a guarantee agreement pursuant to CFTC Regulation 1.10(j) with an applicant or registrant applying for registration as, or registered as, an IB; or

~~(3)~~ any contract market that has granted or is reviewing an application for trading privileges if the applicant or registrant is an individual registered as or applying for registration as a floor broker or floor trader.

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PART 600. WITHDRAWAL FROM REGISTRATION.

RULE 601. WITHDRAWAL FROM REGISTRATION.

(a) An FCM, RFED, IB, CTA, CPO, LTM, FB or FT may request that its registration be withdrawn in accordance with the requirements of this Rule if:

(1) the registrant has ceased, or has not commenced, engaging in activities requiring registration in such capacity; or

(2) the registrant is exempt from registration in such capacity; or

(3) the registrant is excluded from the persons or any class of persons required to be registered in such capacity. Provided, that NFA may consider separately each capacity for which withdrawal is requested in acting upon such a request.

(b) An FCM, RFED, IB, CPO, CTA or LTM requesting withdrawal from registration under this Rule must file a Form 7-W completed and filed with NFA in accordance with all pertinent instructions. A FB or FT requesting withdrawal from registration under this Rule must file a Form 8-W completed and filed with NFA in accordance with all pertinent instructions. In addition, any FB or FT requesting withdrawal from registration must file a copy of his Form 8-W with each contract market or DTF that has granted him trading privileges.

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**PART 700. PROCEDURES GOVERNING ACCESS TO AND CERTIFICATION OF
REGISTRATION RECORDS MAINTAINED BY NFA**

**RULE 701. DISCLOSURE OF INFORMATION FROM REGISTRATION RECORDS
MAINTAINED BY NFA.**

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(c) Disclosure of Non-Public Information. Requests for access to registration records, or portions thereof, not subject to disclosure as public or publicly available under paragraph (b)(1) of this Rule shall be referred or transmitted to the Commission for response; except that, NFA will disclose such records or portion thereof:

* * *

(2) to any FCM or RFED with whom an IB, whether an applicant or registrant, has or plans to enter into a guarantee agreement under CFTC Regulation 1.10: Provided, however, that the FCM or RFED makes an appropriate showing as to its status as the IB's guarantor or proposed guarantor;

* * *

PART 800. ELECTRONIC FILING OF REGISTRATION FORMS.

RULE 801. ELECTRONIC FILING OF FORMS 7-R, 8-R, 3-R, 7-W AND 8-T.

(a) Unless otherwise provided by these Rules, registrants which are FCMs, RFEDs, IBs, CPOs, CTAs, FBs and FTs, and IBs, CPOs and CTAs which are confirmed as exempt from registration pursuant to CFTC Regulation 30.5 and applicants for registration in such categories or for exemption from registration as an IB, CPO or CTA pursuant to CFTC Regulation 30.5 must file their Form 7-Rs and Form 8-Rs; Form 8-Rs for their principals and for registration of their APs; Form 3-Rs for themselves, their APs and principals; Form 7-Ws; and Form 8-Ts electronically by accessing NFA's registration and membership database in the manner provided by NFA. FCM, RFED, IB, CPO and

CTA registrants or applicants, IBs, and CPOs and CTAs that are confirmed as exempt from registration pursuant to CFTC Regulation 30.5 or applicants for exemption from registration as an IB, CPO or CTA pursuant to CFTC Regulation 30.5 may authorize any person to make electronic registration filings on their behalf. FB and FT registrants and applicants may authorize any other person to electronically file Form 3-R's on their behalf but may not authorize any other person to file Form 8-Rs on their behalf. Any electronic registration filing that such an authorized person makes on behalf of the FCM, RFED, IB, CPO, CTA, FB or FT registrant or applicant or IB, CPO or CTA confirmed as exempt from registration pursuant to CFTC Regulation 30.5 or applicant for exemption from registration pursuant to CFTC Regulation 30.5 shall be deemed to have been made by the FCM, RFED, IB, CPO, CTA, FB or FT registrant or applicant or IB, CPO or CTA confirmed as exempt from registration pursuant to CFTC Regulation 30.5 or applicant for exemption from registration pursuant to CFTC Regulation 30.5 granting the authorization to such person.

* * *

(e) Each registrant or applicant FCM, RFED, IB, CPO, CTA, FB or FT or IB, CPO or CTA confirmed as exempt from registration pursuant to CFTC Regulation 30.5 or applicant for exemption from registration as an IB, CPO or CTA pursuant to CFTC Regulation 30.5 shall make available any person it has authorized to make or actually performing duties related to electronic filings, for testimony in court or before the Commission, NFA, any contract market or any DTF regarding the authentication, integrity or accuracy of any electronic filing.

* * *

RULE 802. CERTIFICATIONS, ACKNOWLEDGEMENTS, AGREEMENTS AND REPRESENTATIONS.

(a) The electronic filing of a Form 7-R for registration as an FCM, RFED, IB, CPO and CTA or for exemption from registration as an IB, CPO and CTA pursuant to CFTC Regulation 30.5 is deemed to constitute the applicant's:

* * *

(5) acknowledgement that the applicant may not act as an FCM, RFED, IB, CPO or CTA until registration has been granted; in the case of an IB, until registration or a temporary license has been granted; or until confirmation of exemption from registration as an IB, CPO or CTA pursuant to CFTC Regulation 30.5 is granted;

* * *

(f) Retention of Records. In accordance with Commission Regulation 1.31, FCM, RFED, IB, CTA, CPO, LTM, FB and FT applicants and registrants and their sponsors, if applicable, applicants for exemption from registration as an IB, CPO or CTA pursuant to CFTC Regulation 30.5 and IBs, CPOs and CTAs confirmed as exempt from registration pursuant to CFTC Regulation 30.5 must retain such records as are necessary to support the certifications required by this Rule.

* * *

INTERPRETIVE NOTICES

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REGISTRATION REQUIREMENTS; BRANCH OFFICES

Form 7-R, Branch Offices

Any location, other than the main business address at which an FCM, RFED, IB, CPO or CTA employs persons engaged in activities requiring registration as an AP, is a branch office. This is true even if there is only one person at the location. If the firm has one or more branch offices, NFA's registration records on the firm must include the names of all persons who are branch office managers. Each location must have a branch office manager, and that person's status as a branch office manager should be listed in the Registration Categories section of the person's Form 8-R even if previously listed as a principal in the Registration Categories section of the person's Form 8-R. Each branch office must have a different manager.

The address must also be given for each branch office. A P.O. Box is not sufficient. Anyone with a status as branch office manager must also be currently registered as an AP or have applied for such registration. Whenever a new branch office is established it must be reported, with all the required information, to NFA by filing an update electronically to the firm's Form 7-R. The closing of an existing branch office should also be reported by filing an update electronically to the firm's Form 7-R.

IF YOUR FIRM CURRENTLY HAS PERSONS OPERATING OUT OF LOCATIONS OTHER THAN ITS MAIN BUSINESS ADDRESS, THOSE LOCATIONS MUST IMMEDIATELY BE REPORTED TO NFA BY FILING AN UPDATE ELECTRONICALLY

TO THE FIRM'S FORM 7-R AND BY ADDING BRANCH OFFICE MANAGER STATUS ON EACH BRANCH OFFICE MANAGER'S FORM 8-R.

NFA may take disciplinary action against any Member which fails to properly list all of its offices.

An important point to recognize is that a branch office may not itself be a separate corporation or partnership. CFTC Regulation 166.4 requires each branch office to use the name of the firm of which it is a branch for all purposes and to hold itself out to the public under such name. Also, in CFTC Interpretive Letter No. 84-10 (May 29, 1984) it was concluded that a branch office could not maintain a separate identity from the Member. One obvious conclusion to be drawn from this information is that each AP in a branch office must be paid directly by the Member. Payment through any intermediary would lead to the assumption that the intermediary would be required to register as an IB.

The requirement that a branch office hold itself out to the public under the name of the Member is intended to ensure that customers are always aware of the Member with which they are doing business. It is necessary that any branch office AP, even one operating out of a residence or an unrelated place of business, make sure that customers understand who they are doing business with.

EXPLANATION OF PROPOSED AMENDMENTS

The CFTC's recently issued Forex rules, including rules concerning registration requirements for firms engaged in retail, off-exchange foreign exchange activity, become effective on October 18, 2010. The proposed amendments adopt rules paralleling the existing registration rules to register, in accordance with the CFTC Forex rules, certain counterparties, FCMs, IBs, CTAs and CPOs engaged in these activities.

Essentially, the CFTC Forex registration requirements, with certain exceptions, provide for the registration of any firm acting as the counterparty to and any firm or individual whose business involves retail, off-exchange foreign exchange contracts ("retail forex"). Counterparties that are not FCMs substantially engaged in on-exchange activities or otherwise regulated entities will register in a new registration category called Retail Foreign Exchange Dealer ("RFED"). The firms acting as FCMs (other than counterparties), IBs, CPOs or CTAs engaged in retail forex will register in the existing FCM, IB, CTA and CPO categories depending on the type of activity in which they engage. Individuals will register as APs. All of these firms must also be NFA Members and their APs will be Associates.

An RFED or an FCM that is substantially engaged in on-exchange activities and acts as a retail forex counterparty will be designated under NFA rules as an Approved Forex Dealer Member (“approved FDM”). FCMs, IBs, CPOs and CTAs whose activities involve retail forex will be designated Forex FCMs, Forex IBs, Forex CPOs and Forex CTAs (collectively, “Forex Firms”). APs of these firms will be designated as Forex Associated Persons (“Forex APs”). The separate designations are necessary for a number of reasons. NFA needs to track which firms and individuals are engaged in retail forex activities and to distinguish between FCMs that are designated as approved FDMs and those that are not because approved FDMs have a higher minimum net capital requirement. Additionally, since Forex Firms may also engage in on-exchange futures activity, NFA needs to track which of these firms' APs will be Forex APs.

NFA has developed a new proficiency examination specific to retail forex activity (“Series 34”). The Series 34 has been available for potential applicants to take since July 2008. In order to become designated as a Forex AP, the person must take and pass both the Series 3 exam and the Series 34. Since floor brokers are exempt from having to register as APs, floor brokers engaging in retail forex business for a firm would not have to pass the Series 34. Each AP who was registered as of May 22, 2008, the effective date of the *CFTC Reauthorization Act of 2008*, will not be required to take and pass the Series 34 unless he or she is subsequently required to retake and pass the Series 3. This “grandfathering” is consistent with NFA’s treatment of registered APs at the time the Series 3 was first implemented.

Each firm seeking approved FDM and/or Forex Firm designation must have at least one individual who is listed as a principal, is registered as an AP and has passed the Series 34 (“Forex AP/Principal”). If after registration and membership are granted, the firm terminates its last Forex AP/Principal, then the firm will be deemed to have requested withdrawal of its approved FDM and/or Forex Firm designation. NFA Bylaws already require that each NFA Member must have an AP who is also a principal (“AP/Principal”) and that any NFA Member that terminates its last AP/Principal will be deemed to have requested withdrawal of its NFA membership.

RFEDs will be permitted to register in other categories with regard to on-exchange activities. For example, an RFED that does a small percentage of on-exchange business could register as an FCM.

Forex IBs may satisfy their capital requirements by maintaining the same minimum net capital required for an IB. Additionally, IBs may enter into a guarantee agreement with an FDM. Forex GIBs will be required to place both their retail forex and on-exchange trades through their guarantor.

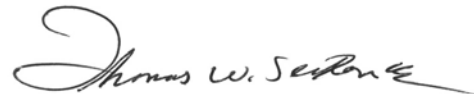
Mr. David A. Stawick

September 7, 2010

Currently, an AP may receive a temporary license ("TL") if he files a completed Form 8-R in which the applicant did not answer yes to any of the statutory disqualifications. Additionally, a guaranteed IB may receive a TL upon filing a guarantee agreement from the guarantor FCM and completed Forms 7-R and 8-R in which there are no yes answers to any of the statutory disqualifications. These TLs will also be available to Forex APs and Forex GIBs.

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 301 and Registration Rules regarding Forex Registration Requirements and the Interpretive Notice regarding Registration Requirements for branch offices 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, appearing to read "Thomas W. Sexton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas W. Sexton
Vice President and General Counsel

*The proposed amendments to NFA's Bylaw 301; Registration Rules and the Interpretive Notice Regarding Registration Requirements; Branch Offices become effective on September 30, 2010.