

May 28, 2014

Via Federal Express

Ms. Melissa D. Jurgens
Secretary
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: National Futures Association: Reduction to NFA's Assessment Fee – NFA
Bylaw 1301 Regarding Schedule of Dues and Assessments*

Dear Ms. Jurgens:

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”) the proposed amendments to NFA Bylaw 1301 regarding schedule of dues and assessments. NFA’s Board of Directors (“Board”) approved the proposal on May 15, 2014.

NFA is invoking the “ten-day” provision of Section 17(j) of the Commodity Exchange Act (“CEA”) and plans to 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~~)

DUES AND ASSESSMENTS

* * *

BYLAW 1301. SCHEDULE OF DUES AND ASSESSMENTS.

* * *

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;

(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;

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;

(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,

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) of NFA's Articles of Incorporation 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:

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

* * *

EXPLANATION OF PROPOSED AMENDMENTS

Public trading volume has grown an average of 7% over the past five years. In NFA fiscal years 2013 and 2014, NFA has seen double-digit volume growth of 11% and 20%, respectively. NFA projects that public trading volume will end fiscal 2014 on June 30th at 1.2 billion contracts traded, up 20% from fiscal 2013. Given these increases, if NFA maintains the assessment fee at its current rate, it is very likely that NFA's reserves will soon exceed NFA's targeted reserve amount of fourteen months of operating expenses. Therefore, at its May 15, 2014 meeting, NFA's Board approved an amendment to Bylaw 1301 to reduce the FCM assessment fee from the current \$0.02 cents per side to \$0.01 cent per side effective October 1, 2014.

In reaching its determination to reduce the assessment fee, the Board recognized that the fee should not be reduced unless NFA is confident that it could sustain the reduced fee amount for a reasonable period of time. Therefore, the Board used a conservative estimate of future volume and delayed the effective date of the fee

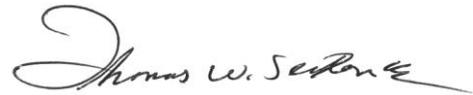
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adjustment until October 1, 2014. As a result, the Board is confident that barring a significant drop in public volume or an unanticipated large increase in spending, it is likely that an assessment fee of one cent per side effective October 1, 2014 could be sustained for a few years.

As mentioned earlier, NFA is invoking the “ten-day” provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the proposed amendments to NFA Bylaw 1301 regarding schedule of dues and assessments 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 cursive script, appearing to read "Thomas W. Sexton".

Thomas W. Sexton
Senior Vice President and
General Counsel

* The proposed amendments to NFA Bylaw 1301 became effective October 1, 2014.