

May 31, 2016

Via Federal Express

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: CPO and CTA Quarterly Reporting
Requirements – Proposed Amendment to NFA Compliance Rule 2-46*

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 amendment to NFA Compliance Rule 2-46 that imposes a \$200 per business day late fee on CPOs and CTAs that file their PQRs and PRs after the due date. NFA's Board of Directors approved the proposal on May 19, 2016.

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

PROPOSED AMENDMENT

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

COMPLIANCE RULES

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**PART 2 – RULES GOVERNING THE BUSINESS CONDUCT OF MEMBERS
REGISTERED WITH THE COMMISSION**

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RULE 2-46. CPO AND CTA QUARTERLY REPORTING REQUIREMENTS

Mr. Christopher J. Kirkpatrick

May 31, 2016

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(d) Each NFA Form PQR or NFA Form PR that is filed after it is due shall be accompanied by a fee of \$200 for each business day it is late. Payment and acceptance of the fee does not preclude NFA from filing a disciplinary action under the Compliance Rules for failure to comply with the deadlines imposed by NFA Compliance Rules or CFTC rules.

EXPLANATION OF PROPOSED AMENDMENT

NFA Compliance Rule 2-46 requires CPOs and CTAs to file NFA Form PQR and NFA Form PR, respectively, with NFA on a quarterly basis. NFA utilizes the information provided in these forms by integrating it into NFA's risk management system. The information helps NFA in designing its examination schedule and in identifying firms that warrant additional monitoring.

Since Compliance Rule 2-46 became effective¹, NFA has experienced a continuing problem with a limited number of firms filing Form PQR or Form PR after the due date. In an attempt to reduce late filings, staff has increased follow-up on late filings, but there continues to be a number of firms that routinely file late. NFA currently imposes a late filing fee on FCM, FDM, and IB Members that submit late filings, and we have found that these late fees appear to act as a deterrent for late filings. Therefore, NFA proposes to amend Compliance Rule 2-46 to impose a \$200 per business day late fee on CPOs and CTAs that file their PQRs and PRs after the due date. For late PQRs, the fee will apply to the CPO entity and will not be assessed on each pool operated by the CPO that has a late filing. Finally, the imposition of the late fee will not preclude NFA from taking a disciplinary action in appropriate circumstances against a firm under NFA's Compliance Rules for failing to comply with the filing deadlines.

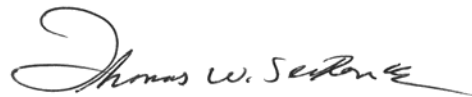
¹ CPOs began filing PQRs in 2010 and CTAs began filing PRs in 2013.

Mr. Christopher J. Kirkpatrick

May 31, 2016

As mentioned earlier, NFA is invoking the “ten-day” provision of Section 17(j) of the CEA. NFA intends to make the proposed amendment to NFA Compliance Rule 2-46 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas W. Sexton". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Thomas W. Sexton
Senior Vice President and
General Counsel

*The proposed amendment to NFA Compliance Rule 2-46 became effective September 30, 2016.