

August 25, 2009

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 Dealer Member Price Adjustments -
Technical Amendments to NFA Compliance Rule 2-43(a)*

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") the proposed amendments to NFA Compliance Rule 2-43(a) regarding Forex Dealer Member price adjustments. This proposal was approved by NFA's Board of Directors ("Board") on August 20, 2009.

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~~)

COMPLIANCE RULES

* * *

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

* * *

RULE 2-43. FOREX ORDERS.

(a) Price Adjustments

(1) A Forex Dealer Member may not cancel an executed customer order or adjust a customer account in a manner that would have the direct or indirect effect of changing the price of an executed order except when:

(i) the cancellation or adjustment is favorable to the customer and is done as part of a settlement of a customer complaint, provided, however, that individual customer complaints are not required in order for a Forex Dealer Member to favorably adjust all customer orders that were adversely affected by technical problems with the trading platform or by similar factors beyond the customer's control and that are unrelated to market price movements (except that the Forex Dealer Member must adjust all customer orders adversely affected and may not, except as provided in section (a)(1)(ii), adjust any order that received a favorable price due to the problem); or

(ii) if a Forex Dealer Member's ~~platform~~ exclusively uses straight-through processing such that the Forex Dealer Member automatically (without human intervention and without exception) enters into the identical but opposite transaction with another counterparty (creating an offsetting position in its own name) and that counterparty cancels or adjusts the price at which the position was executed.

EXPLANATION OF PROPOSED AMENDMENTS

Section 2-43(a)(1)(ii) authorizes FDMs to adjust erroneous prices provided by their liquidity providers if certain conditions are met. The first – and necessary – condition is that the FDM must exclusively use straight-through processing. NFA intended to limit the relief to those firms that exclusively operate a straight-through processing business model. The rule itself, however, references the FDM's platform, and this has caused some firms to question whether they can adjust prices on platforms that are exclusively straight-through even though they have one that operates on a dealer model. The proposed technical amendment removes the word "platform" from

Mr. David A. Stawick

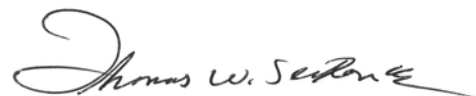
August 25, 2009

the provision to clarify that it does not apply unless ALL of the FDM's retail forex business is done under a straight-through processing model.

Section 2-43(a)(1)(i) authorizes FDMs to adjust prices if the adjustment is in favor of the customer and is done as part of a settlement of a customer complaint. This provision was designed to ensure that FDMs can settle customer complaints before or after they end up in arbitration but was not meant to prohibit an FDM from adjusting prices on customer orders that were adversely affected by a glitch in the FDM's platform. The proposed technical amendment clarifies that an FDM may adjust orders even in the absence of individual customer complaints if the customers were adversely affected by a technical problem but that the FDM may not adjust prices on customer orders that benefited from the error and may not cherry-pick which accounts to adjust.

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 Compliance Rules 2-43(a) 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,



Thomas W. Sexton
Senior Vice President and
General Counsel

* The proposed amendments to NFA Compliance Rule 2-43(a) became effective September 11, 2009.