

June 1, 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: Eligibility to Guarantee IBs – Proposed
Technical Amendments to NFA's Financial Requirements Section 2*

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 technical amendments to NFA Financial Requirements Section 2 regarding eligibility to guarantee introducing brokers. 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 underscoring and deletions are ~~stricken through~~)

FINANCIAL REQUIREMENTS

* * *

SECTION 2. ELIGIBILITY TO GUARANTEE IBS

(a) A Member FCM, other than a Forex Dealer Member, which knows or should know that its Adjusted Net Capital is less than the greatest of:

- (i) ~~\$750,000~~ 150% of the amount set forth in NFA Financial Requirements Section 1(a)(i) ;

* * *

may not enter into a guarantee agreement with an IB until it files three successive month-end statements where the Member FCM's Adjusted Net Capital is equal to or greater than the amount required by Financial Requirements Section 11.

EXPLANATION OF PROPOSED AMENDMENTS

Earlier this year, NFA adopted changes to Section 1 of NFA's Financial Requirements, and those amendments became effective on March 31, 2010. One amendment increased the minimum net capital requirement for FCMs from \$500,000 to \$1,000,000.

Section 2 of NFA's Financial Requirements sets forth the minimum net capital requirements for FCMs that guarantee IBs. Specifically, Section 2(a) prohibits a Member FCM, other than a Forex Dealer Member, from entering into a guarantee agreement with an IB if the firm knows or should know that its adjusted net capital is less than the greatest of the amounts listed in Section 2(a)(i)-(v). Currently, the amount listed in 2(a)(i) is \$750,000, or 150% of \$500,000, the minimum net capital requirement for FCMs prior to March 31, 2010.

NFA has historically used a dollar figure in Section 2(a)(i), which has been 150% of NFA's minimum net capital requirement for FCMs. However, to ensure that Section 2 does not have to be repeatedly amended due to any future changes to Section 1(a)(i)'s minimum adjusted net capital amount, NFA's Board amended Section 2(a)(i) to replace its fixed dollar amount with a percentage amount. The proposed amendment to Financial Requirements Section 2(a)(i) requires that an FCM maintain no less than 150% of the minimum adjusted net capital as set forth in NFA Financial Requirements Section 1(a)(i).

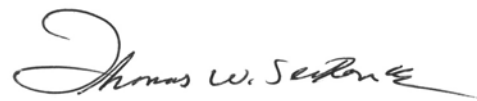
As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the amendments to NFA Financial Requirements Section 2 regarding eligibility to guarantee introducing brokers effective ten days after receipt of this submission by the Commission, unless the

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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 extending to the right.

Thomas W. Sexton
Vice President and General Counsel

* The proposed amendments to NFA's Financial Requirements Section 2 became effective June 14, 2010.