

June 1, 1988

Ms. Jean A. Webb
Secretariat
Commodity Futures Trading Commission
2033 K Street, N.W.
Washington, D.C. 20581

Re: National Futures Association/Proposed Amendment to Bylaw 301; Proposed Amendments to Financial Requirements, Schedule D; and Proposed Amendment to Registration Rule 701.

Dear Ms. Webb:

Pursuant to Section 17(j) of the Commodity Exchange Act, as amended ("the Act"), National Futures Association ("NFA") hereby submits to the Commodity Futures Trading Commission ("CFTC" or "Commission") proposed amendments to NFA Bylaw 301, to Financial Requirements, Schedule D, and to Registration Rule 701. The amendments were approved by NFA's Board of Directors ("the Board") at its meeting on May 19, 1988. NFA respectfully requests Commission review and approval of the proposed amendments.

I. PROPOSED AMENDMENT TO NFA BYLAW 301 AND EXPLANATION THEREOF

- A. Amendment to Bylaw 301 to conform it to the new NFA Registration Rules (deletions are [bracketed]).

CHAPTER 3

MEMBERSHIP AND ASSOCIATION WITH A MEMBER

BYLAW 301. REQUIREMENTS AND RESTRICTIONS.

* * *

- (h) Termination of Membership and Associate Membership.

* * *

- (ii) Withdrawal of [or Failure to Renew] Registration.

The membership of any Member that withdraws [or fails to renew] all registrations under the Act may be summarily terminated by order of the President on seven days' written notice.



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- B. Explanation of proposed amendment to NFA Bylaw 301 to conform it to the new NFA Registration Rules.

The proposed amendment to Bylaw 301 simply conforms the Bylaw to the new NFA Registration Rules pursuant to which NFA Members are no longer required to renew registration.

NFA respectfully requests Commission approval of the foregoing proposed amendment to NFA Bylaw 301. NFA requests that the Commission declare the proposed amendment effective immediately upon approval by the Commission.

II. PROPOSED AMENDMENTS TO NFA FINANCIAL REQUIREMENTS, SCHEDULE D.

- A. Amendments to NFA Financial Requirements, Schedule D to incorporate recent revisions to the CFTC's financial reporting requirements (additions are underscored and deletions are [bracketed]):

FINANCIAL REQUIREMENTS

* * *

SCHEDULE D
FINANCIAL REPORTS

* * *

D1-b. Required Statements.

The Certified Report must contain the following statements:

- (i) Statement of Financial Condition;
- (ii) Statements of Cash Flows [Changes in Financial Position] and Changes in Ownership Equity for the period between the date of the most recent certified statement of financial condition and the date for which the report is made;
- (iii) Statement of Computation of the Minimum Capital Requirements;
- (iv) Schedule of Segregated Funds Required for Commodity Futures and Options and Schedule of Segregated Funds on Deposit;



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- (v) Schedule of Funds Required to be on Deposit and Funds Actually on Deposit in Separate Accounts;
- (vi) Statement of Income (Loss);
- (vii) Statement of Changes in Liabilities Subordinated to Claims of General Creditors for the period between the date of the most recent certified statement of financial condition and the date for which the report is made; and,
- (viii) Attestation Letter.

* * *

D2-b. Required Statements.

The interim Financial Report must contain the following statements:

- (i) Statement of Financial Condition;
- (ii) Statement of Changes in Ownership Equity for the period between the date of the most recent [certified] statement of financial condition and the date for which the report is made;
- (iii) Statement of Computation of Minimum Capital Requirements;
- (iv) Schedule of Segregated Funds Required for Commodity Futures and Options and Schedule of Segregated Funds on Deposit;
- (v) Schedule of Funds Required to be on Deposit and Funds Actually on Deposit in Separate Accounts; [and]
- (vi) Statement of Changes in Liabilities Subordinated to Claims of General Creditors for the period between the date of the most recent Statement of financial condition and the date for which the report is made; and
- (vii) [(vi)] Attestation Letter.

- B. Explanation of proposed amendments to NFA Financial Requirements, Schedule D to incorporate recent revisions to the CFTC's financial reporting requirements.



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The proposed amendments to NFA Financial Requirements, Schedule D simply incorporate the amendments to CFTC Regulations 1.10(d)(1) and 1.10(d)(2) adopted by the Commission on February 9, 1988.

NFA respectfully requests Commission approval of the foregoing proposed amendments to NFA Financial Requirements, Schedule D. NFA requests that the Commission declare the proposed amendments effective immediately upon approval by the Commission.

III. PROPOSED AMENDMENT TO NFA REGISTRATION RULE 701 AND EXPLANATION THEREOF

- A. Amendment to NFA Registration Rule 701 to provide more flexibility in adding categories of publicly available registration records (additions are under-scored and deletions are [bracketed]):

REGISTRATION RULES

* * *

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

* * *

(b) Disclosure of Public Information

- (1) If any member of the public requests access to registration records, or portions thereof, and the requested record, or portion, is "public" or "publicly available" under CFTC Regulation 1.10(g), 145.0(c) [and or 145.6(b), [respectively,] then NFA will release that record, or portion, to the requester.

- B. Explanation of proposed amendment to NFA Registration Rule 701 to provide more flexibility in adding categories of publicly available registration records.

Registration Rule 701 limits the direct disclosure of certain registration records by NFA upon request from a member of the public. This direct disclosure is limited to publicly available portions of financial reports and registra-



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tion forms specified in CFTC Regulations 1.10(g) and 145.6(b). The proposed amendment to Registration Rule 701 broadens the scope of publicly available registration records by including a reference to records which are considered "public records" as defined in CFTC Regulation 145.0(c).

From time to time, new categories of information arise which are considered by the CFTC to be publicly available. However, because of the limitations in Registration Rule 701, NFA must continue referring requests for these categories of information to the CFTC. This cumbersome process could be eliminated by amending NFA Bylaw 701 to include a reference to records which are considered public under CFTC Regulation 145.0(c). Of course, NFA will not treat any category of records as publicly available under CFTC Regulation 145.0(c) unless NFA has received written confirmation from the CFTC that the category of records is generally available to the public.

NFA respectfully requests Commission approval of the foregoing proposed amendment to NFA Registration Rule 701. NFA requests that the Commission declare the proposed amendment effective immediately upon approval by the Commission.

Respectfully submitted,


Daniel J. Roth
General Counsel

AM:rh(Dl:F1)

cc: Chairman Wendy L. Gramm
Commissioner Kalo A. Hineman
Commissioner Fowler C. West
Commissioner William E. Seale
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UNITED STATES OF AMERICA
COMMODITY FUTURES TRADING COMMISSION

2033 K Street, N.W.
Washington, D.C. 20581



July 29, 1988

Daniel J. Roth, Esq.
General Counsel
National Futures Association
200 West Madison Street
Chicago, Illinois 60606

Re: Proposed Amendments to the National Futures
Association's Bylaw 301; Financial
Requirements, Schedule D; and Registration
Rule 701

Dear Mr. Roth:

By letter dated June 1, 1988 and received by the Commission on June 6, 1988, the National Futures Association ("NFA") submitted pursuant to Section 17(j) of the Commodity Exchange Act ("Act") proposed amendments to its Bylaw 301; Financial Requirements, Schedule D; and Registration Rule 701. The Commission understands that NFA intends to implement the proposed revisions upon receipt of notice of Commission approval.

Please be advised that the Commission has this date approved the above-referenced revisions under Section 17(j) of the Act.

Sincerely,

Jean A. Webb
Secretary of the Commission

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AUG 1 1988

GENERAL COUNSEL'S OFFICE