

May 22, 2013

**Via Federal Express**

Mr. Christopher J. Kirkpatrick  
Deputy Secretary  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

Re: National Futures Association: Proposed Technical Amendment to NFA  
Registration Rule 101\*

Dear Mr. Kirkpatrick:

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 technical amendment to NFA Registration Rule 101. NFA’s Board of Directors (“Board”) approved the proposal on May 16, 2013.

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.

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**PROPOSED AMENDMENTS**

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

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**REGISTRATION RULES**

**PART 100. DEFINITIONS**

**RULE 101. DEFINITIONS**

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(t) "**Principal**"-means, with respect to an applicant, a registrant, or a person required to be registered under the Act:

(1) an individual who is:

- (A) a proprietor of a sole proprietorship;
- (B) a general partner of a partnership;
- (C) a director, president, chief executive officer, chief operating officer, chief financial officer or a person in charge of a business unit, division or function subject to regulation by the Commission of a corporation, limited liability company or limited liability partnership;
- (D) a manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; or
- (E) a chief compliance officer; or

(2) an individual who directly or indirectly, through agreement, holding companies, nominees, trusts or otherwise:

- (A) is the owner of 10% or more of the outstanding shares of any class of an applicant or registrant's ~~stock~~ equity securities, other than non-voting securities;
- (B) is entitled to vote 10% or more of the outstanding shares of any class of an applicant or registrant's equity securities, other than non-voting securities;
- (C) has the power to sell or direct the sale of 10% or more of the outstanding shares of any class of an applicant or registrant's equity securities, other than non-voting securities;
- (D) ~~has contributed 10% or more of an applicant or registrant's capital~~;
- (DE) is entitled to receive 10% or more of an applicant or registrant's net profits; or
- (EF) has the power to exercise a controlling influence over an applicant or registrant's activities that are subject to regulation by the Commission; or

(3) an entity that:

- (A) is a general partner of a partnership; or
- (B) is the direct owner of 10% or more of the outstanding shares of any class of an applicant or registrant's equity securities, other than non-voting securities; or
- ~~(C) has directly contributed 10% or more of an applicant or registrant's capital unless such capital contribution consists of subordinated debt contributed by:~~

- ~~(i) an unaffiliated bank insured by the Federal Deposit Insurance Corporation;~~
- ~~(ii) a United States branch or agency of an unaffiliated foreign bank that is licensed under the laws of the United States and regulated, supervised and examined by United States government authorities having regulatory responsibility for such financial institutions; or~~
- ~~(iii) an insurance company subject to regulation by any State.~~

(4) an individual who or entity that:

- (A) has contributed 10% or more of an applicant's or registrant's capital unless such capital consists of subordinated debt contributed by:

- (i) an unaffiliated bank insured by the Federal Deposit Insurance Corporation;
- (ii) an unaffiliated "foreign bank," as defined in 12 CFR 211.21(n) that currently operates an "office of a foreign bank," as defined in 12 CFR 211.21(t), which is licensed under 12 CFR 211.24(a);
- (iii) such office of an unaffiliated, licensed foreign bank; or
- (iv) an insurance company subject to regulation by any State.

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provided such debt is not guaranteed by an individual who or entity that is not a principal of the applicant or registrant.

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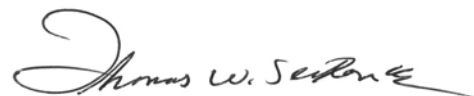
**EXPLANATION OF PROPOSED AMENDMENTS**

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In a Dodd-Frank related rulemaking, the CFTC modified the ownership and capital contribution criteria in its definition of a "principal." NFA, therefore, is amending NFA's definition of a "principal" contained in Registration Rule 101(t) to conform to the CFTC definition.

As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to adopt the proposed technical amendment to NFA Registration Rule 101, 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

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\* The proposed amendments to Registration Rule 101 are effective October 21, 2013.