

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 2	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-7	File No.* SR - 2014 - *01 Amendment No. (req. for Amendments *)
Proposed Rule Change by * National Futures Association Pursuant to Rule 19b-7 under the Securities Exchange Act of 1934		
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>
<input type="checkbox"/> Exhibit A Sent As Paper Document	<input type="checkbox"/> Exhibit B Sent As Paper Document	
Description Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). Proposed change to the Interpretive Notice to NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for SFPs		
Contact Information Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change. First Name * Carol Last Name * Wooding Title * Associate General Counsel E-mail * cwooding@nfa.futures.org Telephone * (312) 781-1409 Fax (312) 559-3476		
SRO Governing Body Action Describe action on the proposed rule change taken by the members or board of directors or other governing body of the SRO (limit 250 characters, required *). NFA's Board of Directors approved the proposed rule change on November 15, 2012		
Signature Pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer. Date 04/07/2014 Senior Vice-President and General Counsel By Thomas W. Sexton III (Name *) (Title *)		
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.		
Persona Not Validated - 1396648970759		

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-7 instructions please refer to the EFFF website.

Exhibit 1 - Notice of Proposed Rule Change (required when Initial)

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal.

The Notice section of this Form 19b-7 must comply with the guidelines for publication in the Federal Register, as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC and CFTC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases and Commodities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction E, they shall be filed in accordance with Instruction F.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. If such documents cannot be filed electronically in accordance with Instruction E, they shall be filed in accordance with Instruction F.

Exhibit Sent As Paper Document

Exhibit 4 - Proposed Rule Text

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The self-regulatory organization must attach as Exhibit 4 proposed changes to rule text. Exhibit 4 shall be considered part of the proposed rule change.

Exhibit 5 - Date of Effectiveness of Proposed Rule Change (required when Initial)

The self-regulatory organization must attach one of the following:

- CFTC Certification
- CFTC Request that Review of Proposed Rule Change is not Necessary
- Request for CFTC Approval of Proposed Rule Change
- CFTC Determination that Review of Proposed Rule Change is not Necessary
- Indication of CFTC Approval of Proposed Rule Change

CFTC Request that Proposed Rule Change is not Necessary: Attach a copy of any request submitted to the CFTC for determination that review of the proposed rule change is not necessary.

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Exhibit Sent As Paper Document

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission staff's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____; File No. SR-NFA-2014-01)

Self-Regulatory Organizations; National Futures Association; Notice of Filing and Immediate Effectiveness of Proposed Change to the Interpretive Notice to NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for SFPs

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Exchange Act"),¹ and Rule 19b-7 under the Exchange Act,² notice is hereby given that on April 7, 2014, National Futures Association ("NFA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II, and III below, which Items have been substantially prepared by NFA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. NFA also filed this proposed rule change on November 20, 2012 with the Commodity Futures Trading Commission ("CFTC").

NFA, on November 20, 2012, requested that the CFTC make a determination that review of the proposed rule change of NFA is not necessary.³ On February 14, 2013, the CFTC notified NFA that it had determined not to review the proposed rule change.⁴

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ See Letter dated November 20, 2012 from Thomas W. Sexton, III, Senior Vice President/General Counsel, NFA to Sauntia Warfield, Assistant Secretary, Office of the Secretariat, CFTC.

⁴ See Letter dated February 14, 2013 from Gary Barnett, Director, Division of Swap Dealer and Intermediary Oversight, to Thomas W. Sexton, III, Senior Vice President/General Counsel, NFA.

I. Self-Regulatory Organization's Description and Text of the Proposed Rule Change

The amendments to the Interpretive Notice entitled "NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for Security Futures Products" ("Notice") extends the relief from having to take a proficiency exam to engage in security futures activities from December 31, 2012 to December 31, 2015.

The text of the Interpretive Notice is available on NFA's website at www.nfa.futures.org, the Commission's website at www.sec.gov, the self-regulatory organization's office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

In its filing with the Commission, NFA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NFA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

1. Purpose

Section 15A(k) of the Exchange Act⁵ makes NFA a national securities association for the limited purpose of regulating the activities of NFA Members

⁵ 15 U.S.C. 78o-3(k).

("Members") who are registered as brokers or dealers under Section 15(b)(11) of the Exchange Act.⁶ NFA's Notice entitled: "NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for Security Futures Products" applies to all Members who meet the criteria in the Interpretive Notice and could apply to Members registered under Section 15(b)(11) of the Exchange Act.

The Commodity Futures Modernization Act of 2000 amended the Securities Exchange Act of 1934 to require NFA to "have rules that ensure that members and natural persons associated with members meet such standards of training, experience and competence necessary to effect transactions in security futures products and are tested for their knowledge of securities and securities futures products."⁷ In 2001 NFA and FINRA (then NASD) adopted temporary relief allowing registrants to qualify to engage in security futures activities by completing a training program rather than by taking an exam, which NFA codified in the Notice. The relief was extended three times and was set to expire on December 31, 2012.

NFA and FINRA proposed the three prior extensions, and the CFTC and SEC agreed to them, because of the low trading volume in SFPs and the relatively few registrants engaging in security futures activities. These characteristics continue to make the imposition of a qualifications exam an inefficient option, and the same reasons are equally compelling today.

⁶ 15 U.S.C. 78o(b)(11).

⁷ Section 15A(k)(2)(D) of the Exchange Act.

Accordingly, the proposal revises the Interpretive Notice to extend the relief from having to take an exam from December 31, 2012 to December 31, 2015.⁸

Amendments to the Interpretive Notice regarding NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for Security Futures Products were previously filed with the SEC in SR-NFA-2002-04, Exchange Act Release No. 34-46502 (Sep. 16, 2002), 67 FR 59587 (Sep. 23, 2002); SR-NFA-2003-03, Exchange Act Release No. 34-47825 (May 9, 2003), 68 FR 27128 (Mar. 19, 2002); SR-NFA-2003-04, Exchange Act Release No. 34-49054 (Jan. 12, 2004), 69 FR 2806, (Jan. 20, 2004); SR-NFA-2007-07, Exchange Act Release 34-57142 (Jan. 14, 2008), 73 FR 3502 (Jan. 18, 2008) and SR-NFA-2009-02, Exchange Act Release 34-61284 (Jan. 4, 2010), 75 FR 1431 (Jan. 11, 2010).

2. Statutory Basis

The rule change is authorized by, and consistent with, Section 15A(k)(2)(D) of the Exchange Act.⁹ That Section requires NFA to "have rules that ensure that members and natural persons associated with members meet such standards of training, experience, and competence necessary to effect transactions in SFPs and are tested for their knowledge of securities and securities futures products." Although the proposal extends relief from having to take an exam to engage in security futures activities, it still requires that training be completed before entering into such activities.

⁸ FINRA staff has informed NFA that FINRA will amend its rules to incorporate the same three-year extension.

⁹ 15 U.S.C. 78o-3(k)(2)(D).

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change will have little or no impact on competition. The proposed Interpretive Notice does not impose new requirements on Members, but rather extends the relief allowing registrants to qualify to engage in security futures activities by completing a training program rather than by taking an exam until December 31, 2015.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NFA did not publish the rule change to the membership for comment.

NFA did not receive comment letters concerning the rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing of Commission Action

NFA did not file the proposed rule change concurrent with the SEC.

Instead, NFA filed the proposed rule change on April 7, 2014. Section 19(b)(7)(B) of the Act provides that a proposed rule change filed with the SEC pursuant to Section 19(b)(7)(A) of the Act shall be filed concurrently with the CFTC.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NFA-2014-01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Kevin M. O'Neill, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NFA-2014-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of NFA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions.

You should submit only information that you wish to make publicly available. All submissions should refer to File Number SR-NFA-2014-01 and should be submitted on or before [insert date 21 days from publication in the Federal Register.]

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin M. O'Neill
Deputy Secretary

Form19b-7/jac/2014-01 Exhibit 1

¹⁰ 17 CFR 200.30-3(a)(73).



NATIONAL FUTURES ASSOCIATION

November 20, 2012

Via Federal Express

Ms. Sauntia Warfield
Assistant Secretary
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: National Futures Association: Proficiency Requirements for Security Futures Products – Proposed Amendment to the Interpretive Notice to NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for SFPs

Dear Ms. Warfield:

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") a proposed amendment to the Interpretive Notice entitled *NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for Security Futures Products*. NFA's Board of Directors ("Board") approved the proposal on November 15, 2012.

NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act ("CEA") and will make the 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 AMENDMENTS

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

INTERPRETIVE NOTICES



Ms. Sauntia Warfield

November 20, 2012

**NFA COMPLIANCE RULES 2-7 AND 2-24 AND REGISTRATION RULE 401:
PROFICIENCY REQUIREMENTS FOR SECURITY FUTURES PRODUCTS**

The Commodity Futures Modernization Act of 2000 amended the Securities Exchange Act of 1934 to require NFA to "have rules that ensure that members and natural persons associated with members meet such standards of training, experience, and competence necessary to effect transactions in security futures products and are tested for their knowledge of securities and security futures products."¹ NFA is in the process of updating the Series 3 examination to include questions applicable to security futures products. However, current registrants, and persons who become registered before the Series 3 examination is updated, will be allowed to meet the proficiency requirements by taking an appropriate training course before they engage in activities involving security futures products. This notice describes the conditions under which Members and Associates can substitute training for testing.

Current NFA Members and Associates will be able to satisfy their proficiency requirements for security futures by taking any training program that covers the subject matter included in a content outline that has been jointly developed by NFA, the Financial Industry Regulatory Authority, and a number of securities and futures exchanges. A copy of that outline can be found on NFA's website at www.nfa.futures.org. New registrants can also qualify through training if they take the Series 3 examination and apply for registration before the revised examination becomes available. **THE TRAINING MUST BE COMPLETED BEFORE AN INDIVIDUAL REGISTRANT ENGAGES IN ACTIVITIES INVOLVING SECURITY FUTURES PRODUCTS.** Any registrant who is eligible to qualify through training has until December 31, 2012~~15~~ before that eligibility lapses. Registrants who subsequently decide to engage in security futures activities will be required to take the relevant examination.²

NFA, in partnership with the Financial Industry Regulatory Authority and the Institute for Financial Markets, has developed a web-based training program that will satisfy the training requirement. That program can be accessed at www.nfa.futures.org. There is no charge for completing this training program.

NFA is also in the process of updating the Series 30 examination to include questions regarding security futures for persons who are designated security futures principals under NFA Compliance Rule 2-7. In order to qualify as a designated security futures principal, current supervisors may take a portion of the training program devoted to supervisory issues as well as the portions intended for all Associates as long as they do so before the revised Series 30



Ms. Sauntia Warfield

November 20, 2012

examination becomes available. After the revised Series 30 becomes available, only individuals who were qualified as branch office managers before that date may qualify as security futures principals by taking the training program in lieu of taking a supervisory proficiency exam, and those individuals must take the training program by December 31, 2012¹⁵.

NFA Members and Associates are not required to notify NFA that they have completed a training program. However, Members must be able to demonstrate to NFA during an audit that those registered individuals who are engaging in security futures activities have completed the necessary training. For example, Members could keep records of Associates who attend internal training programs or require Associates to provide certificates of completion for outside training programs.

¹ Section 15A(k)(2)(D) of the Securities Exchange Act of 1934.

² Securities registrants will be subject to these same standards, although the examinations that qualify them to trade security futures products will be different.

EXPLANATION OF PROPOSED AMENDMENTS

The Commodity Futures Modernization Act of 2000 amended the Securities Exchange Act of 1934 to require NFA to "have rules that ensure that members and natural persons associated with members meet such standards of training, experience and competence necessary to effect transactions in security futures products and are tested for their knowledge of securities and securities futures products."¹

In 2001, NFA and FINRA (then NASD) adopted temporary relief allowing registrants to qualify to engage in security futures activities by completing a training program rather than taking an exam. That relief has been extended three times and is currently set to expire on December 31, 2012.

NFA and FINRA proposed the three prior extensions, and the CFTC and SEC agreed to them, because of the low trading volume in SFPs and the relatively few registrants engaging in security futures activities. These characteristics made the

¹ Section 15A(k)(2)(D) of the Exchange Act.



Ms. Sauntia Warfield

November 20, 2012

imposition of a qualifications exam an inefficient option, and the same reasons are equally compelling today.

In 2002 NFA, FINRA, and the Institute for Financial Markets partnered together to develop a free web-based training program consisting of a series of modules intended to satisfy the training requirement (SRO Training Modules). Although the SRO Training Modules are not the only program that NFA and FINRA Members can use to satisfy their proficiency requirements, NFA is not aware of any alternative formal training programs that firms use. From 2002 through September 2012, just under 15,000 individuals have completed the SRO Training Modules. Of this number, 9,824 individuals are registered with FINRA (including joint registrants) and 4,721 individuals are registered only with the CFTC. Most of these individuals took the SRO Training Modules in the first couple of years after SFPs began trading, and traffic has decreased since then. In 2011, only 71 registered individuals completed the SRO Training Modules (47 CFTC-only registrants). This compares with the approximately 4,500 people who took the Series 3 exam last year.

The proposed amendment to the Interpretive Notice will extend the proficiency testing relief another three years until December 31, 2015.

As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the amendment to the Interpretive Notice entitled *NFA Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for Security Futures Products* 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

cc: Frank Fisanich
Gary Barnett

TWS:jac(m:/jac/SubmissionLtrs\InterpNotc CR2_7&2_24&RR402 ProficiencyRequirementsForSFPs 11.15.12)



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-6700
Facsimile: (202) 418-5547
gbarnett@cftc.gov

Division of Swap Dealer
and
Intermediary Oversight

Gary Barnett
Director

February 14, 2013

Thomas W. Sexton, III, Esq.
General Counsel
National Futures Association
300 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606

Re: National Futures Association: Schedule of Dues and Assessments –
Proposed Technical Amendment to Bylaw 1301(b)(i)

National Futures Association: Proficiency Requirements for Security
Futures Products – Proposed Amendments to Interpretive Notice to
Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency
Requirements for SFPs

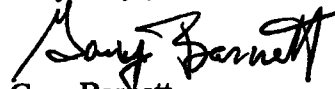
National Futures Association: Proficiency Requirement for Swaps –
Proposed Technical Amendment to Registration Rule 401(e)(3)

Dear Mr. Sexton:

By separate letters dated November 20, 2012 and received November 27, 2012, the National Futures Association (“NFA”) submitted to the Commodity Futures Trading Commission (the “Commission”), pursuant to Section 17(j) of the Commodity Exchange Act (the “Act”), its Proposed Amendments to Bylaw 1301(b)(i), its Proposed Amendments to Interpretive Notice to Compliance Rules 2-7 and 2-24 and Registration Rule 401, and its Proposed Technical Amendment to Registration Rule 401(e)(3) (the “Proposals”). In its letter, NFA invoked the “ten-day” provision of Section 17(j) of the Act, and stated that it intended to make the Proposals effective ten days after receipt of the letter by the Commission, unless the Commission determined to review the Proposals for approval and notified NFA of this determination.

Please be advised that the Commission has not determined to review the Proposals, as provided under Section 17(j) of the Act.

Very truly yours,

A handwritten signature in black ink that reads "Gary Barnett". The signature is written in a cursive style with a large initial "G" and "B".

Gary Barnett

Director

Division of Swap Dealer and
Intermediary Oversight