

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 - * 02

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 *



Amendment *



Withdrawal



Exhibit 1 Sent As Paper Document



Exhibit 2 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 Rule 2-30(b): Risk Disclosure Statement for Securities Futures Contracts

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 21, 2013

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)

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

Add Remove View

Exhibit Sent As Paper Document

Partial Amendment

Add Remove View

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-2014-02)

Self-Regulatory Organizations; National Futures Association; Notice of Filing and Immediate Effectiveness of Proposed Change to the Interpretive Notice to NFA Compliance Rule 2-30(b): Risk Disclosure Statement for Securities Futures Contracts

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-7 thereunder,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 prepared primarily by NFA. NFA has filed the proposal as a "non-controversial rule change pursuant to §19(b)(3)(A) of the Act"³ and Rule 19b-4(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. NFA also filed this proposed rule change with the Commodity Futures Trading Commission ("CFTC") on December 5, 2013, and requested that the CFTC make a determination that review of the proposed rule

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ 15 U.S.C. 78s(b)(3)(4).

⁴ 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), NFA provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of the filing of the proposed rule change, or such shorter time as designated by the Commission.

change of NFA is not necessary.⁵ On March 21, 2014, the CFTC notified NFA that it had determined not to review the proposed rule change.⁶

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

The amendments to NFA Interpretive Notice 9050 entitled "Compliance Rule 2-30(b): Risk Disclosure Statement for Securities Futures Contracts" ("Interpretive Notice 9050") make a minor change to the settlement section of the risk disclosure statement to reflect an alternative settlement and clearance process that will be used for a new securities futures product ("SFP"). The proposed rule change would accommodate the clearing of physically-settled single stock futures ("SSFs") on a shorter time frame than three business days after the maturity date of each such physically-settled SSF.

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

⁵ See Letter dated December 5, 2013 from Thomas W. Sexton, III, Senior Vice President/General Counsel, NFA, to Melissa D. Jurgens, Secretary, Office of the Secretariat, CFTC.

⁶ See Letter dated March 21, 2014 from Gary Barnett, Director, Division of Swap Dealer and Intermediary Oversight, CFTC to Thomas W. Sexton, III, Senior Vice President/General Counsel, NFA.

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 these 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 Act⁷ makes NFA a national securities association for the limited purpose of regulating the activities of NFA Members ("Members") who are registered as brokers or dealers under Section 15(b)(11) of the Exchange Act.⁸ NFA's Interpretive Notice 9050 applies to all Members and persons associated with Members ("Associates") who meet the criteria outlined in the Interpretive Notice and could apply to Members and Associates who are registered under Section 15(b)(11) of the Act.

Interpretive Notice 9050 requires NFA Members and Associates who are registered as brokers or dealers under Section 15(b)(11) of the Act to provide the Statement to a customer at or before the time the Member approves the account to trade SFPs. The Statement is a uniform statement that was jointly developed in 2002 by NFA, the Financial Industry Regulatory Authority ("FINRA") (then known as NASD) and a number of securities and futures exchanges. Among other things, the statement describes the features of SFPs, including the settlement process.

⁷ 15 U.S.C. 78o-3(k).

⁸ 15 U.S.C. 78o(b)(11).

The amendment makes a minor change to the settlement section of the Statement to reflect an alternative settlement process that will be used for a new SFP, namely SSFs. In addition, FINRA intends to make the same modifications to its risk disclosure statement to cover its members, and has proposed a similar rule change.

Amendments to NFA Interpretive Notice 9050 were previously filed with the SEC in SR-NFA-2002-05, Exchange Act Release No. 34-46613 (Oct. 7, 2002), 67 FR 64176 (Oct. 17, 2002); SR-NFA-2002-06, Exchange Act Release No. 34-47150 (Jan. 9, 2003), 68 FR 2381 (Jan. 16, 2003); SR-NFA-2007-07, Exchange Act Release No. 34-57142 (Jan. 14, 2008), 73 FR 3502, (Jan. 18, 2008); SR-NFA-2010-02, Exchange Act Release 34-62624 (Aug. 2, 2010), 75 FR 47666 (Aug. 6, 2010) and SR-NFA-2010-03, Exchange Act Release 34-62651 (Aug. 4, 2010), 75 FR 48393 (Aug. 10, 2010).

2. Statutory Basis

NFA believes that the proposed rule change is consistent with Section 15A(k)(2)(B) of the Act.⁹ That section requires NFA to have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, including rules governing sales practices of security futures products. NFA believes the proposed rule change accomplishes this by changing the Statement to include reference to an alternative settlement process that will be for a new SFP, namely SSFs.

⁹ 15 U.S.C. 78o-3(k)(2)(D).

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

NFA does not believe the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act¹⁰. The proposed Interpretive Notice does not impose new requirements on Members, but rather will change the settlement section of the Statement to reflect an alternative settlement process that will be used for a new SFP, namely SSFs.

(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 its Members for comment. NFA did not receive comment letters concerning the rule change.

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

NFA filed the proposed rule change with the CFTC on December 5, 2013.¹¹ On March 21, 2014, the CFTC notified NFA that it had determined that review of the proposed rule change was not necessary.¹²

NFA did not file the proposed rule changes concurrently with the SEC.

Instead, NFA filed the proposed rule changes on April 7, 2014. Section

¹⁰ 15 U.S.C. 78q-1(b)(3)(I)

¹¹ See Letter dated December 5, 2013 from Thomas W. Sexton, III, Senior Vice President/General Counsel, NFA, to Melissa D. Jurgens, Secretary, Office of the Secretariat, CFTC.

¹² See Letter dated March 21, 2014 from Gary Barnett, Director, Division of Swap Dealer and Intermediary Oversight, CFTC to Thomas W. Sexton, III, Senior Vice President/General Counsel, NFA.

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.

Section 19(b)(7)(C) of the Act provides, inter alia that "[a]ny proposed rule change of a self-regulatory organization that has taken effect pursuant to [Section 19(b)(7)(B) of the Act] may be enforced by such self-regulatory organization to the extent such rule is not inconsistent with the provisions of the title, the rules and regulations thereunder, and applicable Federal law. At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be re-filed in accordance with the provisions of Section 19(b)(1) of the Exchange Act.

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-2014-02 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-2014-02. 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-2014-02 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.¹³

Kevin M. O'Neill
Deputy Secretary

Form19b-7/jac/2014-02 Exhibit 1

¹³ 17 CFR 200.30-3(a)(73).



December 5, 2013

Via Federal Express

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

Re: National Futures Association: Risk Disclosure Statement for Securities
Futures Contracts - Proposed Amendments to NFA's Interpretive Notice
Entitled *Compliance Rule 2-30(b): Risk Disclosure Statement for
Securities Futures Contracts*

Dear Ms. Jurgens:

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's Interpretive Notice Entitled *Compliance Rule 2-30(b): Risk Disclosure Statement for Securities Futures Contracts*. NFA's Board of Directors ("Board") approved the proposal on November 21, 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.

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

INTERPRETIVE NOTICES

**NFA COMPLIANCE RULE 2-30(b): RISK DISCLOSURE STATEMENT FOR
SECURITY FUTURES CONTRACTS**



Ms. Melissa D. Jurgens

December 5, 2013

Section 5 – Settlement

5.2. Settlement by physical delivery

Settlement by physical delivery is carried out by clearing brokers or their agents with National Securities Clearing Corporation ("NSCC"), an SEC-regulated securities clearing agency. Such settlements are made in much the same way as they are for purchases and sales of the underlying security. Promptly after the last day of trading, the regulated exchange's clearing organization will report a purchase and sale of the underlying stock at the previous day's settlement price (also referred to as the "invoice price") to NSCC. In general, if NSCC does not reject the transaction by a time specified in its rules, settlement is effected pursuant to the rules of the exchange and NSCC's Rules and Procedures within the normal clearance and settlement cycle for securities transactions, which currently is three business days. However, settlement may be effected on a shorter timeframe based on the rules of the exchange and subject to NSCC's Rules and Procedures.

If you hold a short position in a physically settled security futures contract to expiration, you will be required to make delivery of the underlying securities. If you already own the securities, you may tender them to your brokerage firm. If you do not own the securities, you will be obligated to purchase them. Some brokerage firms may not be able to purchase the securities for you. If your brokerage firm cannot purchase the underlying securities on your behalf to fulfill a settlement obligation, you will have to purchase the securities through a different firm.

EXPLANATION OF PROPOSED AMENDMENTS

NFA Compliance Rule 2-30(b) requires NFA Members and Associates who are registered as brokers or dealers under Section 15(b)(11) of the Securities



Ms. Melissa D. Jurgens

December 5, 2013

Exchange Act of 1934 to provide a disclosure statement for security futures products ("SFPs") to a customer at or before the time the Member approves the account to trade SFPs. The risk disclosure statement for SFPs is a uniform statement that was jointly developed in 2002 by NFA, the Financial Industry Regulatory Authority ("FINRA") and a number of securities and futures exchanges. Among other things, this statement describes the features of SFPs.

OneChicago, LLC recently contacted NFA to request that we amend the risk disclosure statement because it plans to offer a new product that has a different settlement process. Therefore, the amendment makes a minor change to the settlement section of the risk disclosure statement to reflect the new settlement process. In addition, FINRA intends to make the same modifications to its risk disclosure statement to cover its members.

As mentioned earlier, NFA is invoking the "ten-day" provision of Section 17(j) of the Commodity Exchange Act. NFA intends to make the proposed amendments to NFA's Interpretive Notice entitled *Compliance Rule 2-30(b): Risk Disclosure Statement for Securities Futures Contracts* 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,

A handwritten signature in black ink, appearing to read "T. Sexton", is written over a large, stylized circular flourish.

Thomas W. Sexton
Senior Vice President and
General Counsel

cc: Gary Barnett
Frank Fisanich
Tom Smith

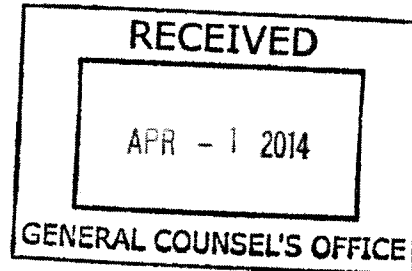
TWS:jac(m:/jac/SubmissionLtrs/InterpNotc_CR2-30(b) RiskDisclosureStatement 112113)



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

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

March 21, 2014

Re: National Futures Association: Proposed Amendments to Interpretive
Notice "Compliance Rule 2-30(b): Risk Disclosure Statement for Security
Futures Contracts"

Dear Mr. Sexton:

By letter dated December 5, 2013 and received December 6, 2013, 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 proposal to amend NFA Interpretive Notice "Compliance Rule 2-30(b): Risk Disclosure Statement for Security Futures Contracts" (the "Proposal"). In its letter, NFA invoked the "ten-day" provision of Section 17(j) of the Act, and stated that it intended to make the Proposal effective ten days after receipt of the letter by the Commission, unless the Commission determined to review the Proposal for approval and notified NFA of this determination.

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

Very truly yours,

Gary Barnett
Director
Division of Swap Dealer and
Intermediary Oversight