

September 14, 2000

COMMENT

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Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Commission Rule 30.7

Dear Ms. Webb:

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National Futures Association (NFA) appreciates the opportunity to comment on the Commission's proposed revisions to its interpretive statement regarding the treatment of the foreign futures and options secured amount. NFA supports the Commission's proposal.

An FCM or Rule 30.10 firm should not have to bear an insolvency risk knowingly assumed by a customer. NFA agrees that FCMs and 30.10 firms should be required to disclose the additional risks a customer faces by trading in non-U.S. markets. NFA also believes that requiring an acknowledgement from the FCM's immediate depository provides additional protection without placing an undue burden on the firm. However, the extra requirements imposed by the current interpretation effectively compel FCMs to choose between becoming insurers of funds their customers knowingly commit to foreign markets or refusing to accept those trades – an approach that NFA believes is inconsistent with both the language in the risk disclosure statement and the Commission's intent when it adopted Rule 30.7. The Commission's current proposal is a more logical approach to balancing the desire of U.S. customers to trade on foreign exchanges with the increased insolvency risks involved in trading in some of those jurisdictions.

Very truly yours,



Daniel R. Roth
Executive Vice President and
General Counsel