



NATIONAL FUTURES ASSOCIATION

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**Received CFTC
Records Section**

11/12/09

November 11, 2009

VIA E-MAIL: SECRETARY@CFTC.GOV

Mr. David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

C.F.T.C.
OFFICE OF THE SECRETARIAT
2009 NOV 12 AM 11 39

Re: RIN 3038-AB87; Electronic Filing of Financial Reports and Notices,
74 Fed. Reg. October 13, 2009

Dear Mr. Stawick:

National Futures Association (NFA) welcomes the opportunity to comment on the Commission's proposed changes to broaden the use of electronic filing for financial reports and other notices. NFA commends the Commission for reviewing electronic filing requirements and proposing changes that reflect both technological advancements and current practices. NFA encourages the Commission, however, to consider other rule changes, as outlined below, which will further expand the use of electronic filing.

Electronic Filing Issues

The Commission's proposal to permit Futures Commission Merchants (FCMs) and Introducing Brokers (IBs) to electronically file the information required by Regulation 1.12 will provide for greater efficiencies in the filing process and reduce unnecessary paper filings. While NFA supports this change, we also believe the Commission should consider requiring, rather than merely permitting, registrants to electronically file all notices required by Regulation 1.12. NFA would also support the Commission further broadening the use of electronic filing to include FCM certified financial statements. Although these certified statements may not always be in a standardized format, an FCM could electronically file the document by uploading it as a PDF.

Other Amendments

NFA agrees with the Commission's proposal to require FCMs and IBs to include a statement of income or loss with a non-certified financial statement and to



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require firms that fall under their minimum net capital requirement to simultaneously file written documentation to support the firm's current capital condition. These documents provide the Commission with important information for monitoring the financial condition of firms. Moreover, with respect to firms that are under their required minimum net capital, NFA agrees with the Commission's assessment that it is more beneficial for the Commission to receive immediate information on a firm's capital condition than to receive information in a specific format.

Finally, NFA supports the Commission's amendments that eliminate the requirements that firms make duplicative filings with NFA and the Commission. These amendments will also promote greater efficiency without sacrificing any regulatory benefits.

If you have any questions or would like to further discuss the proposal or NFA's comments, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tom Sexton", with a large, stylized flourish above the name.

Thomas W. Sexton, III
Senior Vice President and General
Counsel