

## NFA's Business Conduct Rules

### I. Exchange Traded Futures Contracts

1. Supervision
  - A. NFA Compliance Rule 2-9—Supervision
    1. NFA Interpretive Notice ¶9010—Information Available from NFA regarding Background of Prospective Employees
    2. NFA Interpretive Notice ¶9019—Compliance Rule 2-9: Supervision of Branch Offices and Guaranteed IBs
    3. NFA Interpretive Notice ¶9020—Compliance Rule 2-9: Self-Audit Questionnaire
    4. NFA Interpretive Notice ¶9021—Compliance Rule 2-9: Enhanced Supervisory Requirements
    5. NFA Interpretive Notice ¶9037—Compliance Rule 2-9: Supervisory Procedures for E-Mail and the Use of Web Sites
    6. NFA Interpretive Notice ¶9039—Compliance Rules 2-29 and 2-9: NFA's Review and Approval of Certain Radio and Television Advertisements
    7. NFA Interpretive Notice ¶9051—Compliance Rule 2-9: Ethics Training Requirements
    8. NFA Interpretive Notice ¶9055—NFA Bylaw 1101, Compliance Rules 2-9 and 2-29: Guidelines relating to the Registration of Third-party Trading System Developers and the Responsibility of NFA Members for Promotional Material that Promotes Third-party Trading System Developers and their Trading Systems
2. Disclosures
  - A. NFA Compliance Rule 2-30—Customer Information and Risk Disclosure
    1. NFA Interpretive Notice ¶9013—Compliance Rule 2-30: Customer Information and Risk Disclosure
  - B. NFA Compliance Rule 2-34—CTA Performance Reporting and Disclosures
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  - C. NFA Compliance Rule 2-35—CPO/CTA Disclosure Documents
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  - D. NFA Compliance Rule 2-13—CPO/CTA Regulations
    1. NFA Interpretive Notice ¶9006—Interpretation of NFA Compliance Rule 2-13: Guideline for the Disclosure by CPOs and CTAs of "Up Front" Fees and Organizational and Offering Expenses
    2. NFA Interpretive Notice ¶9023—Compliance Rule 2-13: Break-Even Analysis
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    1. NFA Interpretive Notice ¶9059—Compliance Rule 2-4: Disclosure Guidelines for FCMs Offering Sweep Accounts
3. Sales Practices and Dealing with Customers
  - A. NFA Compliance Rule 2-4—Just and Equitable Principles of Trade

1. NFA Interpretive Notice ¶9005—Interpretation of NFA Compliance Rule 2-4: Guideline for the Disclosure by FCMs and IBs of Costs Associated with Futures
  2. NFA Interpretive Notice ¶9014—Compliance Rule 2-4: Confidentiality Language in Release Agreements
  3. NFA Interpretive Notice ¶9057—Commissions, Fees and Other Charges
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  - B. NFA Compliance Rule 2-29—Communications with the Public and Promotional Material
    1. NFA Interpretive Notice ¶9033—Compliance Rule 2-29: Deceptive Advertising
    2. NFA Interpretive Notice ¶9038—Compliance Rule 2-20: High-Pressure Sales Tactics
4. Promotional Material
- A. NFA Compliance Rule 2-29—Communications with the Public and Promotional Material
    1. NFA Interpretive Notice ¶9003—Compliance Rule 2-29: Communications with the Public and Promotional Material
    2. NFA Interpretive Notice ¶9009—Compliance Rule 2-29: Review of Promotional Material Prior to its First Use
    3. NFA Interpretive Notice ¶9025—Compliance Rule 2-29: Use of Promotional Material Containing Hypothetical Performance Results
    4. NFA Interpretive Notice ¶9033—Compliance Rule 2-29: Deceptive Advertising
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    6. NFA Interpretive Notice ¶9039—Compliance Rules 2-29 and 2-9: NFA’s Review and Approval of Certain Radio and Television Advertisements
    7. NFA Interpretive Notice ¶9055—NFA Bylaw 1101, Compliance Rules 2-9 and 2-29: Guidelines relating to the Registration of Third-party Trading System Developers and the Responsibility of NFA Members for Promotional Material that Promotes Third-party Trading System Developers and their Trading Systems
5. Know Your Customer
- A. NFA Compliance Rule 2-30—Customer Information and Risk Disclosure
    1. NFA Interpretive Notice ¶9004—Compliance Rule 2-30: Customer Information and Risk Disclosure
    2. NFA Interpretive Notice ¶9013—Compliance Rule 2-30: Customer Information and Risk Disclosure
6. Recordkeeping
- A. NFA Compliance Rule 2-10—Recordkeeping
    1. NFA Interpretive Notice ¶9029—The Allocation of Bunched Orders for Multiple Accounts
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- A. NFA Financial Requirements (many of which incorporate CFTC Regulations covering the Commission’s Minimum Financial and Related Reporting Requirements)
    - 1. NFA Interpretive Notice ¶9028—NFA Financial Requirements: The Electronic Filing of Financial Reports
  - B. NFA Compliance Rule 2-11—Customer Accounts
  - C. NFA Compliance Rule 2-33—FCM Receipt of Funds from Omnibus Accounts
  - D. NFA Compliance Rule 2-38—Business Continuity and Disaster Recovery
  - E. NFA Compliance Rule 2-46—CPO Quarterly Reporting Requirements
- 8. Reporting to Customers (in addition to customer reporting requirements under CFTC Regulations)
    - A. NFA Compliance Rule 2-34—CTA Performance Reporting and Disclosures
      - 1. NFA Interpretive Notice ¶9054—Performance Reporting and Disclosures
- 9. Anti-Money Laundering
    - A. NFA Compliance Rule 2-9(c)—Supervision
      - 1. NFA Interpretive Notice ¶9045—Compliance Rule 2-9: FCM and IB Anti-Money Laundering Program
- 10. Automated Order-Routing Systems
    - A. NFA Compliance Rule 2-9—Supervision
      - 1. NFA Interpretive Notice ¶9046—Compliance Rule 2-9: Supervision of the Use of Automated Order-Routing Systems
- 11. Prohibition on Doing Business with Non-Members
    - A. NFA Bylaw 1101—Prohibition
      - 1. NFA Interpretive Notice ¶9007—Compliance with NFA Bylaw 1101
      - 2. NFA Interpretive Notice ¶9055—NFA Bylaw 1101, Compliance Rules 2-9 and 2-29: Guidelines relating to the Registration of Third-party Trading System Developers and the Responsibility of NFA Members for Promotional Material that Promotes Third-party Trading System Developers and their Trading Systems
- 12. Segregation
    - A. NFA Financial Requirements Section 8—Additional Information Requests
- 13. Investing Customer Funds
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- 14. Order Entry
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- 15. Customer Eligibility under CFTC Regulation 4.7
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- 16. Other Conduct and Requirements
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    - B. NFA Compliance Rule 2-6—Expelled or Suspended Member or Associate

1. NFA Interpretive Notice ¶9056—Compliance Rule 2-6: Conducting Commodity Futures Business with an Expelled or Suspended Member or Associate
- C. NFA Compliance Rule 2-38—Business Continuity and Disaster Recovery
  1. NFA Interpretive Notice ¶9052—Business Continuity and Disaster Recovery Plan
- D. NFA Compliance Rule 2-45—Prohibition of Loans by Commodity Pools to CPOs and Affiliated Entities
  1. NFA Interpretive Notice ¶9052— NFA Compliance Rule 2-45: Prohibition of Loans by Commodity Pools to CPOs and Related Entities

## II. Off-Exchange Traded Futures Contracts

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  - A. NFA Compliance Rule 2-36—Requirements for Forex Transactions
    1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
2. Disclosures
  - A. NFA Compliance Rule 2-36—Requirements for Forex Transactions
    1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
  - B. NFA Compliance Rule 2-41—Forex Pool Operators and Trading Advisors
3. Promotional Material
  - A. NFA Compliance Rule 2-36—Requirements for Forex Transactions
    1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
4. Sales Practices and Dealing with Customers
  - A. NFA Compliance Rule 2-36—Requirements for Forex Transactions
    1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
5. Reporting to Regulators
  - A. NFA Compliance Rule 2-40—Bulk Assignment or Liquidation of Forex Positions; Cessation of Customer Business
    1. NFA Interpretive Notice ¶9058—Compliance Rule 2-40: Procedures for the Bulk Assignment or Liquidation of Forex Positions; Cessation of Customer Business
  - B. NFA Compliance Rule 2-42—Forex Pool Reporting
    1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
  - C. Proposed NFA Compliance Rule 2-48—FDM Trade Reporting System
6. Reporting to Customers
  - A. NFA Compliance Rule 2-43—Forex Orders
    1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
  - B. NFA Compliance Rule 2-44—Forex Customer Statements

1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
- C. NFA Compliance Rule 2-42—Forex Pool Reporting
  1. NFA Interpretive Notice ¶9053—Forex Transactions with Forex Dealer Members
7. Automated Order-Routing Systems
  - A. NFA Compliance Rule 2-36—Requirements for Forex Transactions
    1. NFA Interpretive Notice ¶9060—Compliance Rule 2-36(e): Supervision of the Use of Electronic Trading Systems
8. Other Conduct and Requirements
  - A. NFA Compliance Rule 2-39—Soliciting, Introducing, or Managing Forex Transactions or Accounts

### III. Security Futures Transactions

1. Supervision
  - A. NFA Compliance Rule 2-9—Supervision
    1. NFA Interpretive Notice ¶9042—Compliance Rule 2-9: Special Supervisory Requirements for Members registered as Broker-Dealers under Section 15(b)(11) of the Securities Exchange Act of 1934
2. Disclosures
  - A. NFA Compliance Rule 2-29—Communications with the Public and Promotional Material
    1. NFA Interpretive Notice ¶9043—Compliance Rule 2-29: Use of Past or Projected Performance; Disclosing Conflicts of Interest for Security Futures Products
  - B. NFA Compliance Rule 2-30—Customer Information and Risk Disclosure
    1. NFA Interpretive Notice ¶9050—Compliance Rule 2-30(b): Risk Disclosure Statement for Security Futures Contracts
3. Sales Practices and Dealing with Customers
  - A. NFA Compliance Rule 2-4—Just and Equitable Principles of Trade
    1. NFA Interpretive Notice ¶9041—Obligations to Customers and Other Market Participants
    2. NFA Interpretive Notice ¶9044—Compliance Rule 2-4: Broker-Dealer Registration Requirements for Security Futures Products
    3. NFA Interpretive Notice ¶9048—Compliance Rule 2-4: The Best Execution Obligation of NFA Members Registered as Broker-Dealers under Section 15(b)(11) of the Securities Exchange Act of 1934
  - B. NFA Compliance Rule 2-37—Security Futures Products
    1. NFA Interpretive Notice ¶9047—Compliance Rule 2-37: Fair Commissions
4. Other Conduct and Requirements
  - A. NFA Compliance Rule 2-7—Branch Office Managers and Designated Security Futures Principals
    1. NFA Interpretive Notice ¶9049—Compliance Rules 2-7 and 2-24 and Registration Rule 401: Proficiency Requirements for Security Futures Products