

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-83491; File No. SR-NFA-2018-01)

June 21, 2018

Self-Regulatory Organizations; National Futures Association; Notice of Filing and Immediate Effectiveness of Proposed Technical Amendment to the Interpretive Notice to NFA 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

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Exchange Act”),<sup>1</sup> and Rule 19b-7 under the Exchange Act,<sup>2</sup> notice is hereby given that on June 14, 2018, 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 by NFA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

On August 30, 2017, NFA also filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”) and requested that the CFTC make a determination that review of the proposed rule change of NFA is not necessary. By letter dated September 15, 2017, the CFTC notified NFA of its determination not to review the proposed rule change.<sup>3</sup>

The text of the proposed rule change is available at the self-regulatory organization’s office, on the NFA’s website at [www.nfa.futures.org](http://www.nfa.futures.org), and at the SEC’s Public Reference Room.

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

The technical amendment to NFA’s Interpretive Notice entitled “NFA Compliance Rule 2-9: Special Supervisory Requirements for Members Registered as Broker-Dealers”

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<sup>1</sup> 15 U.S.C. 78s(b)(7).

<sup>2</sup> 17 CFR 240.19b-7.

<sup>3</sup> See letter from Eileen T. Flaherty, Director, CFTC to Carol A. Wooding, General Counsel, NFA (“Letter”).

(“Interpretive Notice”) references the Form 3-R. The amendment eliminates the reference to the Form 3-R. The text of the proposed technical amendment to the Interpretive Notice is found in Exhibit 4.

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 Act<sup>4</sup> 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 in security futures products under Section 15(b)(11) of the Exchange Act.<sup>5</sup> NFA’s Interpretive Notice 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.

NFA’s registration rules need to be amended to implement the CFTC’s retiring of the Form 3-R, which had been used to report changes to registration information. The CFTC eliminated the Form 3-R recognizing that in the electronic era, changes are made directly to the registration information rather than via filing a Form 3-R.

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<sup>4</sup> 15 U.S.C. 78o-3(k).

<sup>5</sup> 15 U.S.C. 78o(b)(11).

In August 2012, the CFTC eliminated the requirement that registrants and individuals use CFTC Form 3-R to update and file changes to their registration information because the online Forms 7-R and 8-R can be updated directly in NFA's Online Registration System and automatically create a record of changes equivalent to a completed Form 3-R. This amendment removes the Form 3-R reference and replaces it with the direction to report updates and file changes to registration information by, ". . . an update to the Form 7-R."

Amendments to the Interpretive Notice were previously filed with the SEC in SR-NFA-2007-07, Exchange Act Release No. 34-57142 (Jan. 14, 2008).

## 2. Statutory Basis

The rule change is authorized by, and consistent with, Section 15A(k) of the Exchange Act.<sup>6</sup> The proposed changes are nothing more than technical amendments to remove a reference to the Form 3-R.

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

The proposed rule change will have little or no impact on competition. The proposed amendment to the Interpretive Notice does not impose new requirements on Members.

### 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 for Commission Action

The CFTC notified NFA of its determination not to review the proposed rule change.<sup>7</sup> The proposed rule change became effective on September 15, 2017.

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<sup>6</sup> 15 U.S.C. 78o-3(k).

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 refiled in accordance with the provisions of Section 19(b)(1) of the Exchange Act.<sup>8</sup>

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-NFA-2018-01 on the subject line.

##### Paper Comments:

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

All submissions should refer to File Number SR-NFA-2018-01. 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 Internet 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

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<sup>7</sup> See Letter, *Supra* note 3.

<sup>8</sup> 15 U.S.C. 78s(b)(1).

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 10:00 a.m. and 3:00 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make publicly available. All submissions should refer to File Number SR-NFA-2018-01 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.<sup>9</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>9</sup> 17 CFR 200.30-3(a)(73).