

MEMO# 28182

June 11, 2014

Action Needed by CPOs and CTAs By June 30th: NFA Vote to Create Additional Board Seat for Larger CPOs and CTAs

[28182]

June 11, 2014

TO: ACCOUNTING/TREASURERS COMMITTEE No. 14-14
CLOSED-END INVESTMENT COMPANY COMMITTEE No. 24-14
COMPLIANCE ADVISORY COMMITTEE No. 3-14
DERIVATIVES MARKETS ADVISORY COMMITTEE No. 39-14
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 11-14
ETF ADVISORY COMMITTEE No. 10-14
OPERATIONS COMMITTEE No. 29-14
SEC RULES COMMITTEE No. 25-14
SMALL FUNDS COMMITTEE No. 14-14
UNIT INVESTMENT TRUST COMMITTEE No. 2-14 RE: ACTION NEEDED BY CPOs AND CTAs BY
JUNE 30th: NFA VOTE TO CREATE ADDITIONAL BOARD SEAT FOR LARGER CPOs AND CTAs

The National Futures Association's ("NFA") Board of Directors ("Board") has ratified a proposal that would increase representation by larger commodity pool operators ("CPOs") and commodity trading advisors ("CTAs") on the Board ("amendment"). [*](#) Specifically, the amendment would increase the number of CPO/CTA representatives from four to five, and require that at least three representatives of CPOs or CTAs rank within the top 20 percent, one of which must rank within the top five percent of CPOs or CTAs reporting any funds under management allocated to futures and swaps on NFA Forms PQR and PR. Adoption of this amendment requires the affirmative vote of NFA member firms by June 30th, including CPOs and CTAs.

NFA's proposed amendment reflects the recent increase in the number of CPO/CTA members and CPO/CTA funds under management, as a result of the Commodity Futures Trading Commission's ("CFTC") recent amendments to CFTC Regulation 4.5, and the rescission of CFTC Regulation 4.13(a)(4). ICI believes this is a critical opportunity for our members that serve as CPOs and/or CTAs to have an adequate voice on the NFA Board to represent your views on issues of importance to you.

NFA members are eligible to vote on behalf of each NFA-member entity. NFA has sent your firm's ballot(s) to your NFA-listed contact person. The NTM linked to this memorandum in

the footnote includes a printable ballot. As noted in the NTM, Grant Thornton must receive your ballot(s) by June 30th. Please contact Sarah Bessin at sarah.bessin@ici.org or Rachel Graham at rgraham@ici.org if you have any questions.

Sarah A. Bessin
Senior Counsel

Rachel H. Graham
Senior Associate Counsel

endnotes

* NFA Notice toMembers I-14-14 (June 5, 2014), available at <http://www.nfa.futures.org/news/newsNotice.asp?ArticleID=4426>.

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