

MEMO# 35725

May 31, 2024

Effective Date for NFA Rule Modifying Member Questionnaire Requirements and New Prominent Inactive Status Banner in NFA's BASIC System

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TO: ICI Members

Registered Fund CPO Advisory Committee SUBJECTS: Compliance

CPO/CTA RE: Effective Date for NFA Rule Modifying Member Questionnaire Requirements and New Prominent Inactive Status Banner in NFA's BASIC System

On May 20, 2024, the National Futures Association (NFA) issued a Notice to Members, [Notice I-24-10](#), declaring the effective date of the recently adopted NFA [Compliance Rule 2-52](#), related [Interpretive Notice 9082](#), and amended [Bylaw 301](#) to be October 15, 2024. Each of the adoptions modifies the NFA's Member Questionnaire (Questionnaire), formerly known as the Annual Questionnaire, which must be completed as part of the NFA's membership application process and then at least annually thereafter. For ICI members, the most impactful modification is likely to be who must review and submit the Questionnaire.

Review and Submission Requirements for the Questionnaire

Compliance Rule 2-52 sets forth specific requirements regarding who at the firm must review and submit the Questionnaire. To ensure that the individual reviewing and submitting the Questionnaire is sufficiently knowledgeable about an NFA Member's business operations, Compliance Rule 2-52 requires that:

- For NFA Members solely registered as a swap dealer, an individual that is a principal must review and submit the Questionnaire; and
- For all other NFA Members, an individual that is both a registered associated person (AP) and a listed principal must review and submit the Questionnaire.

While anyone at the firm who is knowledgeable about the firm's operations may continue to answer questions on the Questionnaire, an AP/principal must review and submit the Questionnaire. Such AP/principal responsible for submitting the Questionnaire must obtain a new level of "Submit" access in NFA's Online Registration System (ORS), allowing NFA to verify that the designated individual is an AP/principal. NFA anticipates this capability will

be available by mid-summer, at which time, NFA will provide further instructions regarding how to designate an individual in ORS.

Material Changes Updates

Compliance Rule 2-52 will require NFA Members to promptly update the Questionnaire whenever there are material changes to their business operations that render information previously provided inaccurate or incomplete. Interpretive Notice 9082 provides examples of what NFA believes constitutes material changes, but NFA will rely upon NFA Members to make these individual determinations and update the Questionnaire accordingly.

New Semi-annual Filing Requirement for Inactive NFA Members

Interpretive Notice 9082 specifies that a NFA Member not currently conducting commodity interest business will be subject to a new semi-annual filing requirement. This new semi-annual filing requirement for inactive NFA Members will first impact firms with a November 1, 2024, annual filing deadline, making the first semi-annual filing due date May 1, 2025.

Inactive Status Prominently Displayed in NFA's BASIC System

Beginning October 15, 2024, NFA will prominently display "inactive status" on a firm's profile page in NFA's BASIC system for any NFA Member indicating on its Questionnaire that it is not currently conducting commodity interest business.

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