

National Introducing Brokers Association
NIBA
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January 13, 2015

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street, N.W.
Washington, DC 20581

RE: RIN 3038-AE23: Records of Commodity Interest and Related Cash or Forward Transactions

Mr. Kirkpatrick:

National Introducing Brokers Association (NIBA) submits the following comment to the Commodity Futures Trading Commission (CFTC or Commission) regarding the proposed amendment to Commission Regulation 1.35. NIBA supports the proposed amendment that would codify the relief to Commodity Trading Advisors (CTAs) that are members of a DCM or SEF by specifically excluding all CTAs from the requirement to record and maintain oral communications. The CFTC correctly notes that CTAs generally do not routinely have discussions with their customers regarding particular transactions. Consequently, this requirement would serve no regulatory purpose.

With regard to the revenue threshold the Commission has set in order to qualify an Introducing Broker (IB) for exclusion from the requirement to record oral communications, NIBA once again recommends that the Commission consider an adjustment to increase the threshold. We believe the current qualification (exclusion for IBs which generated \$5 million or less in aggregate gross revenue from its IB operations over the preceding three years) is inappropriate. On information from the National Futures Association and from our own members, we suggest that the exclusion for so-called "small IBs" be increased.

NIBA urges the Commission to give serious consideration to comments and suggestions of all industry participants, most particularly small IBs, to ensure the Commission has the most accurate, complete information to use to evaluate any potential changes to the exclusion provisions of Reg. 1.35.

Please do not hesitate to contact us if we can provide the Commission with any assistance with the study, or if you have any questions or concerns regarding this letter.

Very truly yours,

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NIBA is the association for professional futures and options registrants who handle transactions primarily in the retail and managed sector of the industry. NIBA provides education and industry communication to support and enhance the business efforts of our members. www.theniba.com