

January 13, 2015

Mr. Christopher 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**

Dear Mr. Kirkpatrick:

National Futures Association (NFA) appreciates the opportunity to comment on the Commodity Futures Trading Commission's (CFTC or Commission) proposed amendments to Commission Regulation 1.35, which among other things, excludes CTAs that are a member of a DCM or SEF from the requirement to record and maintain oral communications. In particular, NFA requests that the Commission consider the following comments on the proposed amendments.

NFA fully supports the Commission's proposed amendment that would codify the relief provided in CFTC No-Action Letter 14-147 (December 16, 2014) to CTAs that are a member of a DCM or SEF by specifically excluding all CTAs from the requirement to record and maintain oral communications. As the Commission notes in the Federal Register proposing release, CTAs generally do not routinely have discussions with customers regarding particular transactions and therefore this requirement serves little regulatory purpose.

Additionally, as you know, when the Commission amended Regulation 1.35 in 2012, it determined to exclude IBs that had generated \$5 million or less in aggregate gross revenue from its IB operations over the preceding 3 years (small IB) from the requirement to record oral communications. NFA questions whether this revenue threshold is appropriate given the rule's regulatory objective and recommends that the Commission carefully consider in the near future whether any adjustment can be made to increase this revenue threshold.



Christopher Kirkpatrick

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If you have any questions concerning this letter, please do not hesitate to contact the undersigned at (312) 781-1413 or [tsexton@nfa.futures.org](mailto:tsexton@nfa.futures.org) or Carol Wooding at (312) 781-1409 or [cwooding@nfa.futures.org](mailto:cwooding@nfa.futures.org).

Very truly yours,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Thomas W. Sexton, III  
Senior Vice President,  
General Counsel and Secretary

(ecs:Comment Letter\_1.35 Amendments(1.15)(3rev)