

Corporate & Financial Weekly Digest

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National Futures Association Amends Financial Requirements for Forex Dealers

Co-authored by [Joshua Penner](#)

The National Futures Association (NFA) has amended Sections 11(b) and (c) of the NFA Financial Requirements. These rules currently provide that a Forex Dealer Member (FDM) may include assets as current for purposes of determining adjusted net capital and as cover for currency positions, only if the assets are held at the following regulated entities not affiliated with the FDM: (1) a financial institution regulated by a U.S. banking regulator; (2) a broker-dealer registered with the Securities and Exchange Commission; (3) a futures commission merchant or a retail forex dealer registered with the Commodity Futures Trading Commission; (4) a state-regulated insurance company; or (5) a regulated foreign equivalent of such entities.

The amended rules remove regulated foreign entities from the list of regulated entities. However, the NFA will continue to have authority to approve the use of certain regulated foreign equivalents that are appropriately regulated and capitalized.

The amendments will become effective October 1.

The NFA notice concerning the amendments can be found [here](#).

Katten Muchin Rosenman LLP
Charlotte Chicago Irving London Los Angeles New York Washington, DC