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Via E-Mail (secretary@cftc.gov)

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street., N.W.
Washington, D.C. 20581

Re: Proposed withdrawal of staff interpretation, 70 Fed. Reg. 21 (February 2, 2005)

Dear Ms. Webb:

NFA appreciates the opportunity to comment on the Commission's proposal to withdraw Financial and Segregation Interpretation No. 10 ("Interpretation No. 10"). The proposal will remove any obstacles to the availability of these funds in fast-moving markets and any uncertainty about their treatment in an insolvency. The proposal will also lessen the administrative burden on FCMs while ensuring that customer funds are handled in a safe and efficient manner. Therefore, we support the proposal.

Except as noted in the release, Interpretation No. 10 is no longer necessary since registered investment companies ("RICs") can now deposit customer margin directly with an FCM. Interpretation No. 10 was always an imperfect solution to the problem it addressed, and funds should be deposited directly with the FCM whenever possible. Therefore, the Commission should clarify that the withdrawal of Interpretation No. 10 prohibits RICs from depositing customer funds in third party custodial accounts when the RIC is eligible to deposit customer funds directly with an FCM.

If you have any questions concerning this letter, please contact me at 312-781-1413 or tsexton@nfa.futures.org.

Respectfully submitted,

Thomas W. Sexton
Vice President and General Counsel

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