

Joint Audit Committee

Regulatory Update

TO: Chief Compliance Officers **9905**
DATE: September 20, 1999
RE: Margins Handbook – Second Edition

Attached please find the second edition of the Joint Audit Committee's "Margins Handbook". This document is a comprehensive guide designed to help registered futures commission merchants comply with the various margin rules and regulations.

The Handbook should be used to complement the actual rules and regulations promulgated by the domestic self-regulatory organizations and the Commodity Futures Trading Commission. Please review the contents carefully.

It is the intention of the Joint Audit Committee to periodically update the Handbook to account for material changes. Subsequent editions will be available through the Committee's own Web site as well as those of the various Exchanges and NFA. The FCM community will receive notice of any material change through the issuance of a "Regulatory Update".