

# Joint Audit Committee

## Regulatory Update

TO: Chief Financial Officers  
Chief Compliance Officers

#04-05

DATE: September 17, 2004

SUBJECT: WinJammer updates for CFTC Adoption of Risk-Based Capital

The CFTC recently adopted amendments to its minimum and early warning capital levels, effective September 30, 2004, as outlined below.

### Risk-Based Capital Requirements

The CFTC adopted a risk-based minimum capital requirement for FCMs computed as 8% of the total risk margin requirement for all positions carried in customer accounts plus 4% of the total risk margin requirement for all positions carried in noncustomer accounts. The risk-based capital requirement replaces the capital computation based on segregated and secured funds. Such risk-based capital requirement is identical to the requirement already adopted and enforced by several exchanges and NFA.

An early warning capital level was adopted as 110% of the risk-based capital requirement.

The above revisions will be incorporated into the WinJammer™ 1-FR-FCM and FOCUS II forms and will be available for download on October 1, 2004 from the WinJammer web site, [www.wjammer.com](http://www.wjammer.com). All statements dated 9/30/2004 or after, submitted through the WinJammer system, must use the new "risk based" forms.

For details on importing WinJammer forms refer to the WinJammer help guide (Getting Started, Importing Forms) which is available online in the WinJammer application, or on the web site in the documentation section.

If you have any questions, please consult your DSRO.