

Joint Audit Committee

REGULATORY UPDATE

TO: Chief Financial Officers
Chief Compliance Officers

#10-01

DATE: January 20, 2010

SUBJECT: CFTC Adopts Amendments to Electronic Filing Regulations and Certain Other Financial Reporting Requirements Applicable to Futures Commission Merchants and Introducing Brokers

The Commodity Futures Trading Commission (“CFTC”) has adopted amendments to its regulations regarding the electronic filing of financial reports and notices by futures commission merchants (“FCMs”) and introducing brokers (“IBs”) as well as certain other of its financial reporting requirements. The amendments, among other things:

- Enable internet-based filing of FCM financial reports using user authentication and password procedures in light of changes to the WinJammer™ software application;
- Expand the types of filings that FCMs may submit electronically to include required “early warning” notices, changes in fiscal year-ends, requests for financial statement filing extensions and certain other notices and filings;
- Provide for less prescriptive, but more immediate, documentation to be filed regarding a firm’s undercapitalized conditions; and
- Expressly include a monthly income statement and statement of changes in ownership equity in the required monthly financial reports of FCMs.

The amendments were effective January 4, 2010 and may be found in the Federal Register Release at <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/e9-31032a.pdf>.

If you have questions, please consult your DSRO.