

# Joint Audit Committee

## REGULATORY UPDATE

TO: Chief Financial Officers  
Chief Compliance Officers

#10-03

DATE: February 5, 2010

SUBJECT: CFTC Adopts Amendments to Adjusted Net Capital Requirements Applicable to Futures Commission Merchants and Introducing Brokers

The Commodity Futures Trading Commission ("CFTC") has adopted amendments to its regulations regarding the Adjusted Net Capital Requirements for futures commission merchants ("FCMs") and introducing brokers ("IBs"). The amendments, among other things:

- Increase the applicable percentage of risk margin on noncustomer positions from 4% to 8% in the calculation of an FCM's risk based capital requirement;
- Require the risk margin on cleared OTC derivative positions of customers and noncustomers be included in the calculation of an FCM's risk based capital requirement;
- Require cleared OTC derivative proprietary positions be included in the calculation of an FCM's proprietary capital charge; and
- Increase the minimum dollar amount of adjusted net capital required from \$30,000 to \$45,000 for IBs and from \$250,000 to \$1,000,000 for FCMs.

The amendments are effective on March 31, 2010 and may be found in the Federal Register Release at <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/e9-31058a.pdf>.

If you have questions, please consult your DSRO.