

Joint Audit Committee

REGULATORY ALERT

TO: Chief Executive Officers
Chief Financial Officers
Chief Compliance Officers

#14-01

DATE: March 12, 2014

SUBJECT: Segregated, Secured 30.7 and Cleared Swap Customer Acknowledgment Letters

As part of the CFTC's recently adopted enhanced customer protections, CFTC Regulations 1.20, 1.26, 22.2 and 30.7 require the use of standard template acknowledgment letters for all segregated, secured 30.7 and cleared swap customer accounts. FCMs and depositories are required to use the new template acknowledgment letters for all accounts opened on or after January 13, 2014. Further, FCMs and depositories must execute new letters that conform to the template acknowledgment letters for all accounts that were opened prior to January 13, 2014 by July 12, 2014.

To assist FCMs and depositories in meeting these new requirements, attached you will find Word files of the template acknowledgment letters required under CFTC regulations:

- 1.20 - FCM Acknowledgment Letter for CFTC Regulation 1.20 Customer Segregated Account
- 1.26 - FCM Acknowledgment Letter for CFTC Regulation 1.26 Customer Segregated Money Market Mutual Fund Account
- 22.2 – FCM Acknowledgment Letter for CFTC Regulation 22.2 Cleared Swaps Customer Account
- 22.2 - FCM Acknowledgment Letter for CFTC Regulation 22.2 Cleared Swaps Customer Money Market Mutual Fund Account
- 30.7 – Acknowledgment Letter for CFTC Regulation 30.7 Customer Secured Account
- 30.7 – Acknowledgment Letter for CFTC Regulation 30.7 Customer Secured Money Market Mutual Fund Account.

A copy of these template acknowledgment letters may also be found on JAC's website at www.jacfutures.com. Further, the written acknowledgment letters must be in the form as provided for under the regulations.

As a reminder FCMs and depositories are required to file a copy of executed acknowledgment letters with the CFTC and the FCM's designated self-regulatory organization ("DSRO") within three business days after the account is opened. For procedures for filing acknowledgment letters with the CFTC, please refer to the CFTC Notice to FCMs dated February 5, 2014 at http://www.cftc.gov/ucm/groups/public/@forms/documents/file/dsionotice_20140205.pdf.

For FCMs, copies of the executed acknowledgment letters should be submitted within three business days after the account is opened to both the CFTC and their DSRO through WinJammer™.

For depositories¹, copies of the executed acknowledgment letters should be submitted within three business days after the account is opened to both the CFTC and the FCM's DSRO as follows:

- CFTC - through their website at:
https://forms.cftc.gov/_layouts/Forms/AcknowledgementLetter.aspx
- For CME, CBOT, NYMEX and COMEX DSRO FCMs – by e-mail to
FRSAcknowledgementLetters@cmegroup.com
- For NFA DSRO FCMs - by e-mail to acknowledgment.letters@nfa.futures.org

If you have any questions, please contact your DSRO.

¹ For clarity, carrying brokers including FCMs and foreign brokers are depositories and must provide a copy of the executed acknowledgment letters to both the CFTC and their customer FCM's DSRO as indicated.