

July [], 2011

[RECIPIENT'S
CONTACT
INFORMATION]

To Whom It May Concern:

The Division of Clearing and Intermediary Oversight (the Division) of the Commodity Futures Trading Commission (the Commission) wants to thank you for your participation in the 2010 Annual Questionnaire. As was explained last year, the Annual Questionnaire is a yearly initiative to assess compliance with the Part 30 Program. Set forth in the attachment, is the Annual Questionnaire for 2011. While some questions have been eliminated, for the most part, the Questionnaire remains the same. One notable difference is that Question 3 requires all relief recipients to provide a brief summary of the regulations in their respective jurisdictions with regard to the Regulation 30.10 Appendix A elements, regardless of whether such regulations have or have not changed and regardless of whether you already provided such a brief summary in last year's submission.

The Division will also take this opportunity of apprising relief recipients of certain updates or trends. This year, there are three issues that the Division would like to provide information on: scope of relief, off-exchange currency contracts, and an anti-money laundering.

- *Scope of Relief.* Regulation 30.10 generally applies to firms organized and operating in one jurisdiction. Special procedures for the confirmation of relief apply, for example, to a firm organized in one country and operating through a branch in another country. If presented with such a request from a firm in your jurisdiction, please contact the Division for assistance prior to filing any materials with the National Futures Association.
- *Off-Exchange Currency Contracts.* Firms operating pursuant to Regulation 30.10 should be aware that Regulation 30.10 relief extends only to "foreign futures" and "foreign options," as those terms are defined by Regulation 30.1. These terms include only contracts listed on non-U.S. exchanges. They do not include any off-exchange contracts, including off-exchange foreign currency futures, commonly known as "forex" contracts. If a non-U.S. broker would like to offer forex contracts to a U.S. retail customer (i.e. one who is not an "eligible contract participant," as defined by section 1a of the Commodity Exchange Act), then the broker must register with the National Futures Association [U.S.], pursuant to Commission regulations, as a futures commission merchant (FCM), retail foreign exchange dealer (RFED), or introducing broker (IB), as appropriate.
- *Anti-Money Laundering.* Firms operating pursuant to Regulation 30.10 should be aware that the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) administers economic sanctions against certain countries. Depending on the sanctions program, a U.S. person may not conduct certain business with the

targeted country. For example, the sanctions program may prohibit a U.S. customer from trading a futures contract whose underlying commodity originates from the sanctioned country. Therefore, the Division recommends that 30.10 firms be aware of: the origin of commodities underlying those futures contracts offered to U.S. customers and; the list of countries against which OFAC administers economic sanctions (<http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>). If a relevant commodity originates from a sanctioned country, then the broker should contact OFAC to determine whether the sanctions program would prohibit the U.S. customer from trading that contract.

It is kindly requested that you respond via email to dcio@cftc.gov by August [], 2011 and include "Part 30 Annual Questionnaire" in the subject line. Please direct your questions to Andrea Musalem, Special Counsel, 202-418-5167, amusalem@cftc.gov.

Sincerely,

Enclosure