



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
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Division of Swap Dealer and
Intermediary Oversight

Joshua B. Sterling
Director

July 14, 2020

Re: Time Extension for No-Action Position in Response to the COVID-19 Pandemic for Persons Required to Submit Fingerprints in Connection with Applying for Registration as an Associated Person or Being Listed as a Principal of a Registrant

Ladies and Gentlemen:

At the request of the National Futures Association (“NFA”), this letter extends the time period for availability of the no-action relief provided by the Division of Swap Dealer and Intermediary Oversight (“DSIO”) of the Commodity Futures Trading Commission (“CFTC” or “Commission”) in CFTC Staff Letter No. 20-16, issued on April 24, 2020 (“Letter 20-16”).¹ In connection with an industry-wide response to the coronavirus disease 2019 (“COVID-19”) pandemic, temporary no-action relief was granted pursuant to Letter 20-16 for persons failing to comply with Commission regulations requiring that a fingerprint card be submitted in connection with the registration of any associated person (“AP”), and in connection with listing any person as a principal of a firm that is registered or applying for registration with the Commission. This letter extends the time period during which the relief provided pursuant to Letter 20-16 is available to the earlier of September 30, 2020 or the date on which NFA notifies the public that it has resumed the processing of fingerprints.

I. DSIO No-Action Position

Based on the representations of NFA, DSIO understands that the difficulties and challenges resulting from the response to the COVID-19 pandemic that prompted the issuance of Letter 20-16 continue to be widespread. In order to support this continuing response to the COVID-19 pandemic, DSIO believes that the no-action position set forth in Staff Letter 20-16 continues to be warranted.

¹ CFTC Staff Letters related to COVID-19 are available on the Commission’s website: <http://www.cftc.gov/coronavirus>.

Letter 20-16 provided that from the date of that letter until July 23, 2020, or until such earlier date as NFA notifies the public that it has resumed the processing of fingerprints, DSIO would not recommend that the Commission commence any enforcement action against a registrant (or applicant for registration) listing a principal, or against an applicant for AP registration, based solely upon such registrant's or applicant's failure to submit, with Form 8-R, a fingerprint card for such principal or AP registration applicant, provided that:

1. The registrant or applicant for registration listing such principal, or sponsoring such applicant for AP registration, causes a criminal history background check of such principal or applicant for AP registration to be performed;
2. The criminal history background check is of a type that would reveal all matters listed under Sections 8a(2)(D) or 8a(3)(D), (E), or (H) of the Act, and it does not reveal any matters that constitute a disqualification under Sections 8a(2) or 8a(3) of the Act, other than those disclosed to NFA;
3. A person with authority to bind the registrant or applicant for registration listing such principal, or sponsoring such applicant for AP registration, signs and submits a certification² that the background check was completed and that it did not disclose any matters that constitute a disqualification under Sections 8a(2) or 8a(3) of the Act; and
4. The registrant or applicant for registration listing such principal, or sponsoring such applicant for AP registration, maintains records documenting the completion and the results of the criminal history background check in accordance with Regulation 1.31.

Principals and APs of registrants and applicants for registration relying upon the relief provided in Letter 20-16 were admonished that they must submit their fingerprints to NFA within thirty (30) days of NFA's public announcement of its resumption of fingerprint processing.

II. Extension of time

In view of the continuing suspension of NFA's applicant fingerprint service, along with the measures taken by federal, state, and local governments to restrict movement of, and contact among, individuals, DSIO believes that availability of the relief provided in Letter 20-16 will continue to be appropriate beyond the originally-scheduled expiration date for that relief. Accordingly, the no-action relief provided by DSIO pursuant to Letter 20-16, originally scheduled to expire on July 23, 2020, is hereby extended until September 30, 2020, or until such earlier date as NFA notifies the public that it has resumed the processing of fingerprints, subject to the terms and conditions as stated in Letter 20-16.

² The certification should be submitted electronically to: PrintcardAlternativeFilings@nfa.futures.org.

III. Conclusion

DSIO recognizes that due to the COVID-19 pandemic, registrants and other affected market participants may seek additional or different relief in their efforts to comply with the requirements of the CEA and Commission regulations. As a result, any registrants that seek other relief are encouraged to contact DSIO staff. DSIO staff will address issues on a case-by-case basis in light of the requesting registrant's particular fact and circumstances.

This letter, and the positions taken herein, represent the views of DSIO only, and do not necessarily represent the position or view of the Commission or of any other office or division of the Commission. The relief issued by this letter does not excuse persons relying on it from compliance with any other applicable requirements contained in the CEA or in Commission regulations. Further, this letter, and the positions taken herein, are based upon the facts and circumstances presented to DSIO. Any different, changed, or omitted material facts or circumstances might render the relief provided by this letter void.

Finally, as with all staff letters, DSIO retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of relief provided herein, in its discretion.

If you have any questions concerning this correspondence, please contact Amanda Olear, Deputy Director, at 202-418-5283 or aolear@cftc.gov, or Christopher Cummings, Special Counsel, at 202-418-5445 or ccummings@cftc.gov.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Sterling', with a long horizontal line extending to the right.

Joshua B. Sterling
Director
Division of Swap Dealer and Intermediary
Oversight

cc: Carol Wooding, Senior Vice President
and General Counsel
National Futures Association, Chicago

Regina Thoele, Compliance
National Futures Association, Chicago