

Corporate & Financial Weekly Digest

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NFA Notice to Members Regarding Calculation of Retail Forex Customer Accounts

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The National Futures Association (NFA) has issued a Notice to Members providing guidance regarding the calculation of retail forex customer accounts maintained by retail foreign exchange dealers (RFEDs) and futures commission merchants (FCMs).

Pursuant to Commodity Futures Trading Commission Regulation 5.5, RFEDs, FCMs and introducing brokers (IBs) that participate in over-the-counter retail forex transactions must, upon opening an account for a customer, provide the customer with (a) certain written disclosures, and (b) with respect to the four most recent calendar quarters during which the RFED or FCM maintained retail forex accounts, the total number of non-discretionary "open" retail forex customer accounts maintained by the RFED or FCM, the percentage of such accounts that were profitable during the quarter and the percentage of such accounts that were not profitable during the quarter.

The NFA Notice clarifies that the term "open" account includes only those accounts that entered into trades during a particular quarter and/or maintained an open position at any time during the quarter, regardless of whether a cash balance was maintained, interest was paid and/or any fees were incurred during the quarter.

The NFA Notice can be found [here](#).

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