

Want to know more about
your futures or forex
professional?

THE ANSWER IS
BASIC

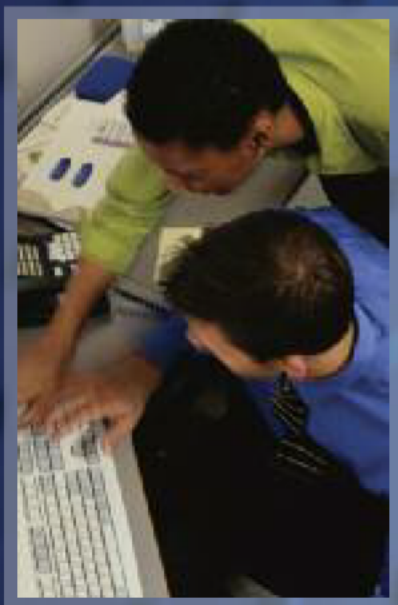
Background Affiliation Status Information Center

An Information Resource for the Investing Public

*Get important background
information about futures and
forex firms and individuals from
National Futures Association.*



For three decades, National Futures Association (NFA) has dedicated itself to safeguarding the integrity of the futures markets and protecting the investing public. As part of NFA's commitment to investor protection, it provides investors with tools to help them conduct due diligence before making financial decisions. This brochure gives a brief overview of one of NFA's most popular investor resources: the Background Affiliation Status Information Center (BASIC).



ABOUT NFA

National Futures Association (NFA) is the industrywide self-regulatory organization for the U.S. futures industry. NFA's mission is to provide innovative and efficient regulatory programs and services that safeguard the integrity of the derivatives markets and protect investors. NFA's activities are overseen by the Commodity Futures Trading Commission (CFTC), the government agency responsible for regulating the U.S. futures industry.

AN OVERVIEW OF NFA'S MEMBERS

Virtually every firm or individual who conducts futures, options on futures or off-exchange foreign currency (forex) business with the public must be registered with the CFTC and a Member of NFA. NFA Membership categories include futures commission merchants (FCM), forex dealer members (FDM), commodity trading advisors (CTA), commodity pool operators (CPO) and introducing brokers (IB). There are approximately 3,500 NFA Member firms and more than 50,000 NFA Associate Members – individuals associated with NFA Member firms.



WHAT IS BASIC?

BASIC is a comprehensive database of registration, disciplinary and financial information about futures/forex firms and salespeople. It contains the disciplinary history and other background of 150,000 individuals and 10,000 firms that either are now, or have been, involved in the futures industry.

BASIC is available through NFA's website (www.nfa.futures.org) and there is **NO CHARGE TO USE IT.**



INFORMATION AVAILABLE IN BASIC

Registration information

BASIC contains current and historical registration information concerning all current and former CFTC registrants, including name, business address and registration history in the futures industry.

Futures Commission Merchant (FCM) financial information

NFA offers three financial data reports in BASIC – the FCM Capital report, the FCM Customer Segregated Funds report and the FCM Customer Secured Funds report. These reports provide summary information related to an FCM's financial condition in each report area. They are meant to provide greater transparency for investors and are updated regularly.

Regulatory/enforcement information

BASIC provides information concerning disciplinary actions taken by NFA, the CFTC and all the U.S. futures exchanges. If you are researching a firm, you should also conduct a background check of all the individuals listed as principals of the firm. Sometimes the firm will have no disciplinary history, but one or more of the principals may have been disciplined while working at other firms.

Dispute resolution information

BASIC gives you details concerning NFA arbitration matters involving disputes between investors and NFA Members if the case went to hearing and an award was issued after January 1, 1990. You will also find summary data concerning the number of cases filed with the CFTC's reparations program.

INFORMATION NOT AVAILABLE IN BASIC

BASIC does not include information about civil actions between parties (other than summary information concerning CFTC reparations or NFA arbitrations), criminal proceedings or actions taken by other federal regulatory agencies or self-regulatory organizations in other industries. BASIC also does not include information about pending NFA arbitration cases or cases without an award. Regulatory actions taken by futures exchanges prior to 1990 may not be included. Finally, although information regarding pending cases at NFA and the CFTC can be found in BASIC, pending exchange complaints that have not been adjudicated are not included.

HOW TO CONDUCT A BASIC SEARCH

There are four ways to conduct a search in BASIC:

- Search by NFA ID
- Search by individual name
- Search by firm name
- Search by pool name

Searching by NFA ID number is by far the most efficient and precise search option. With some exceptions, every individual or other type of entity that wishes to conduct futures or forex-related business with customers, must apply for and obtain CFTC registration and NFA membership. In most cases, an individual or entity that has applied for CFTC registration or NFA membership in the past 20 years is assigned its own NFA ID. An NFA ID can have as few as one digit or up to seven digits. An NFA ID only is assigned to a single entity and never is used more than once. We recommend that you contact the individual or firm and request their NFA ID before using BASIC. If you are unable to obtain the party's specific NFA ID, you can also conduct a search using the individual's name, the firm's name or the name of a commodity pool.

If the individual or firm is unable or unwilling to provide you with an NFA ID number, or if you have entered an NFA ID that you are certain is correct and “No Current Status” displays, you may be dealing with an entity not registered with the CFTC and not an NFA Member. Conducting futures or forex-related business with these individuals or firms could cause you problems.

If you think you are dealing with an individual or firm not registered with the CFTC and not an NFA Member, please send an email to information@nfa.futures.org or call NFA's Information Center toll free at (800) 621-3570 between the hours of 8:00 a.m. and 5:00 p.m. Central Time.



ADDITIONAL RESOURCES

In addition to BASIC, NFA publishes several informational brochures for the investing public, including:

- *Understanding the Opportunities and Risks of Futures Trading*
- *Trading Forex: What Investors Need to Know*
- *Scams and Swindles: An Educational Guide to Avoiding Investment Fraud*

All of these brochures are available at no cost. You can either download them from NFA's website, or you can order copies by calling NFA's Information Center.

Investing in the futures and forex markets is a high-risk, volatile venture. Don't add to your risk by giving your money to a firm or individual that you know little or nothing about. Always remember to conduct a background search using NFA's BASIC system as part of your overall due diligence.



National Futures Association

300 South Riverside Plaza
Suite 1800
Chicago, Illinois 60606

800-621-3570

www.nfa.futures.org

© 2012 National Futures Association

B



A



S



I



C