

March 3, 2020

Vanessa A. Countryman, Secretary
US Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

BY ELECTRONIC SUBMISSION

**Re: Accredited Investor Definition
File No. S7-25-19**

Dear Ms. Countryman:

On behalf of the NIBA, we urge the Securities and Exchange Commission (the “Commission”) to consider amending its proposed rule updating the definition of “accredited investor” to include Series 3 licensed representatives as persons who qualify as accredited investors under the rule. Similar to Series 7, 65 and 82 licensed representatives specifically enumerated in the proposed rule, Series 3 licensees demonstrate a level of sophistication with respect to financial markets such that they should not need the protections of registration under the Securities Act. Expanding on comments included in the proposed rule, if Series 3 licensed brokers are sophisticated enough to advise others on investing in private offerings like Regulation D exempt Commodity Pools, then surely they are sophisticated enough to invest in them.

Established in 1991, NIBA is a trade association of registered derivatives professionals. Our members include Introducing Brokers (“IBs”), Commodity Trading Advisors (“CTAs”), Commodity Pool Operators (“CPOs”) and Associated Persons (“APs”) registered with the Commodity Futures Trading Commission (“CFTC”) and members of the National Futures Association (“NFA”). Our Board of Directors includes representatives of this community, as well as advisors from Futures Commission Merchants (“FCMs”), commodity exchanges, law firms and industry service providers. NIBA’s mission is to provide our members with educational and networking opportunities, as well as a unified community voice for registered professionals.

In the furtherance of this mission, NIBA believes that it would be in the best interests of the commodity industry that Series 3 licensed representatives be included in the final rule as a professional certification which qualifies for accredited investor status. The Series 3 license meets the Commission’s attributes for a credential signifying investor sophistication in that:

- the required examination is administered by a self-regulatory organization (FINRA);
- persons obtaining a Series 3 license can reasonably be expected to have knowledge of markets and investing;
- it reliably demonstrates comprehension of matters regarding financial markets and investing;
- records of persons who hold such a license are maintained and made readily available by a self-regulatory organization (NFA via its online BASIC system).

In order to pass a Series 3 examination, candidates must demonstrate proficiency in a variety of subjects pertaining to futures markets. These include speculative and hedging theory, risk management, options strategies, ethical sales practices and market regulation. In addition, these professionals must satisfy several periodic ongoing educational requirements, from ethics to anti-money laundering to cybersecurity. In sum, these requirements along with the professional experience acquired working in this field, Series 3 licensed brokers are well equipped to examine the risks and rewards of prospective private offerings.

We commend the leadership and staff of the SEC for the proposed updates to the accredited investor rule. NIBA has been following the many efforts in Congress to update this rule over the past several years, and is pleased to see the SEC further the intent of Congress and the Administration in its rule making. NIBA thanks the Chairman, Commissioners and SEC staff for the opportunity to comment, and is happy to discuss this issue further as necessary.

Respectfully Submitted,

Melinda Schramm, Founder & Chairman

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