



May 14, 2026

Sen. Alison Clarkson, Chair
Sen. Randy Brock, Vice Chair
Sen. Kesha Ram Hinsdale
Sen. Thomas Chittenden
Sen. David Weeks, Clerk
Senate Committee on Economic Development, Housing and General Affairs
Vermont State Senate, Room 27
115 State Street
Montpelier, VT 05633-5301

**Written Testimony Regarding S.71
("An act relating to consumer data privacy and online surveillance")**

Dear Chairperson Clarkson and Members of the Committee:

National Futures Association (NFA) appreciates the opportunity to provide written testimony on Senate Bill S.71, "An act relating to consumer data privacy and online surveillance." As an organization dedicated to protecting the investing public, NFA generally supports increased privacy protections.

For the reasons discussed below, NFA offers this testimony to affirm the importance of retaining the nonprofit exemption as passed by the Senate last year at § 2417(a)(3) of S.71. In the alternative, if this nonprofit exemption is to be amended or removed, NFA supports the addition of a narrowly tailored exemption that would enable NFA to continue performing its critical role in regulating derivatives markets and protecting investors.

NFA is a not-for-profit, registered futures association (RFA) under the Commodity Exchange Act.¹ NFA is the industrywide self-regulatory organization (SRO) for the derivatives industry, including futures, swaps, and retail off-exchange foreign currency (or forex). Every aspect of NFA's regulatory authority is overseen and monitored by the Commodity Futures Trading Commission (CFTC), the Congressionally authorized commodity derivatives regulator. NFA's responsibilities include registering firms and industry professionals on behalf of the CFTC,² passing rules to ensure fair dealing with customers, examining and investigating Members for compliance with those rules, taking enforcement actions against those Members that violate NFA Rules, administering proficiency examinations for individuals engaged in derivatives activities,

¹ See 7 U.S.C. § 21; 17 C.F.R. §§ 170.1 et seq.

² 17 CFR § 3.2(a) (stating that the registration functions of the CFTC shall be performed by NFA).

and providing a low-cost arbitration forum for members of the investing public to resolve their disputes with NFA Members.

For NFA to successfully carry out these regulatory functions, NFA must collect and process data, for example in examinations and investigations of financial firms. Importantly, NFA only uses the data it collects for regulatory purposes—NFA does not collect or share data for any commercial purpose, nor does it ever sell data.

NFA is concerned that, without an exemption, the proposed legislation may interfere with NFA's efforts to safeguard financial markets and protect investors in Vermont and throughout the nation. For example, because NFA must maintain the integrity of its investigative files and exam papers in carrying out its federally designated self-regulatory function, NFA cannot typically disclose, modify or delete data upon the request of consumers.

As previously noted, S.71 already contains an exemption for nonprofit organizations, which would cover NFA, a registered 501(c)(6) nonprofit. Therefore, NFA's primary request is simply that this exemption be retained in any amendments to S.71 so that NFA can continue to perform its essential duties in the public interest.

However, should this Committee or the Senate wish to amend or remove this exemption, NFA requests that a narrow exemption for registered futures associations be added at § 2417(a)(5). This paragraph already includes an exemption for a "national securities association," which refers to the Financial Industry Regulatory Association (FINRA). FINRA and NFA are closely analogous, federally regulated SROs for their respective segments of the financial markets. While FINRA is the SRO for the nation's securities brokerage industry and operates under the comprehensive oversight of the SEC, NFA is the SRO for the nation's derivatives industry and operates under the comprehensive oversight of the CFTC.

Recognizing NFA and FINRA's analogous roles in safeguarding the financial markets, other states' comprehensive data privacy laws, such as the Delaware Personal Data Privacy Act and the Maryland Online Data Privacy Act of 2024, include entity-level exemptions both for registered futures associations and national securities associations, and do so in the same section.³

For these reasons, we respectfully request that, should this Committee or the Senate amend or remove the nonprofit exemption at § 2417(a)(3), that the underlined language below be added to § 2417(a)(5). Such language would not risk sweeping too broadly (as NFA is the nation's only RFA), would be consistent with other state comprehensive data privacy laws, and would ensure that NFA could continue to fulfill its role and responsibilities, which include protecting Vermont investors:

³ See Del. Code Ann. tit. 6, § 12D-103(b)(4); Md. Code Ann., Com. Law § 14-4703(a)(2).

"§ 2417 EXEMPTIONS

(a) . . .

(5) national securities association that is registered under 15 U.S.C. 78o-3 of the Securities Exchange Act of 1934, as may be amended, or a registered futures association so designated under 17 U.S.C. 21 of the Commodity Exchange Act, as may be amended, or any regulations adopted thereunder;"

If you have any questions or there is any further information we may be able to provide, please reach out to Michael Schorsch at mschorsch@nfa.futures.org.

Very truly yours,



Lucy C. Hynes
Managing Director
Government & Regulatory Affairs
National Futures Association