Docket

DOCKET / RESEARCH & PRACTICAL GUIDANCE

NFA Principal vs Owner: Ownership Visibility Worksheet

> Build a more reviewable acquisition pipeline with Docket. Our deal-origination software and managed research help private equity teams screen companies against a mandate and understand the evidence behind each finding.

Published by Docket · 2026-11-18 · nfa principal vs owner · nfa principal · nfa basic search · principal definition ownership percentage · beneficial ownership research · private equity sourcing · commodity pool operator · commodity trading advisor · ownership due diligence worksheet

Original article: https://docket.capital/articles/nfa-principal-vs-owner-ownership-visibility-worksheet



In this article

1. Executive Summary
2. Introduction and Background
3. Key Changes and Distinctions in the Principal Standard
4. Implementation Considerations and Process Changes
5. Cross-Source Corroboration
6. Case Studies and Real-World Examples (Hypothetical Examples)
7. Data Analysis and Evidence
8. Implications and Future Directions
9. Frequently Asked Questions (FAQs)
10. Conclusion

Executive Summary

An NFA (National Futures Association) principal is a person or entity that NFA's registration rules tie to a firm through management, control or a financial interest. It is not a synonym for "owner." NFA states that an individual's status as a **principal** is determined by control of business activities, formal title or position, and ownership or financial stake (www.nfa.futures.org). The CFTC's 2020 Form 8-R adoption notice says principal "is not technically a registration class" (www.federalregister.gov), so a principal record is a disclosure about a relationship, not a licence and not an equity register.

The ownership prongs use a **10 percent** line, but they are not interchangeable. An individual qualifies by owning 10 percent or more of any class of voting equity, directly or indirectly through holding companies, nominees or trusts (www.ecfr.gov). An entity qualifies only as the **direct owner** of that stake (www.ecfr.gov). NFA's own example shows a parent holding company with 100 percent of a holding company that owns 50 percent of a registrant is not a principal, because it does not directly own 10 percent or more (www.nfa.futures.org). A missing corporate parent on a principal list therefore does **not** mean the parent is absent from the real chain. Separately, a chief compliance officer, president or director can be a principal with no equity at all (www.ecfr.gov), and others can qualify through profit entitlement, capital contribution or controlling influence (www.ecfr.gov) (www.federalregister.gov).

For a private equity (PE) origination analyst, the practical rule is to preserve the route behind each designation and to avoid inferring an exact stake, an ultimate owner or a willingness to sell from a label. Public NFA data are also bounded: NFA's BASIC (Background Affiliation Status Information Center) terms say BASIC "does not include all of the background information disclosed on" registration forms (www.nfa.futures.org), and entries may be delayed (www.nfa.futures.org). Other filings use different thresholds, such as Form ADV's 25 percent chain rule for indirect owners (www.sec.gov) and the FATF definition of a beneficial owner as a natural person with ultimate effective control (www.fatf-gafi.org).

This report supplies a worksheet: a **principal-evidence matrix**, **four reviewer outcomes** (supported-owner, supported-management-only, incomplete-chain, wrong-record), **five fictional cases** and a **declared-sample metric** for unresolved chains. As of October 31, 2026, NFA reported **2,726** total members, including **1,026**

commodity pool operators (CPOs) and **1,152** commodity trading advisors (CTAs) (www.nfa.futures.org). No measured accuracy benchmark exists for principal-list ownership inference, and none is claimed here.

Introduction and Background

Screening a derivatives-intermediary or investment-management business for a private equity mandate usually starts with a question about who owns and controls the firm. For firms that are CFTC (Commodity Futures Trading Commission) registrants, NFA's public lookup is a natural first stop. The CFTC's own consumer page tells visitors to "Visit the NFA BASIC database to check" registration, disciplinary or regulatory history, and financial information (www.cftc.gov). Those purposes are protective, not transactional. The same record can be read for a very different decision, namely whether a listed relationship supports a claim of ownership or control.

The central trap is semantic. NFA's rules define "principal" for registration disclosure. A person who is a principal may hold no shares, and a corporate owner may sit one level above the last entity that the rule requires to be listed. The worksheet below keeps six things apart: the firm, the person, the pool, the management role, the reported financial interest and the corporate ownership chain. It also separates three questions that are easily blurred: who is the current controlling owner, who is a direct equity owner, and who is merely management or a regulated individual.

The worksheet treats each of these as a separate claim that needs its own source, date and reviewer outcome. The material below is written for origination analysts and research reviewers, not for retail traders, and it names no real target. All examples are fictional and labeled. Nothing here is legal advice, and thresholds and exceptions should be rechecked against current rule text and, where a decision depends on them, reviewed by qualified counsel.

The worksheet assigns every observed relationship one of four reviewer outcomes:

- **Supported-owner:** the record, route and stake are each supported by a source, so an ownership claim of the stated type can be made.
- **Supported-management-only:** the record supports a management, officer or control role and nothing about equity.
- **Incomplete-chain:** at least one upstream entity or interest is unresolved, so the control chain is open.
- **Wrong-record:** the record belongs to a different firm, person or pool, and its evidence is discarded.

Key Changes and Distinctions in the Principal Standard

From an over-inclusive equity test to direct-versus-indirect treatment

The current federal definition reflects a 2012 CFTC rulemaking, effective **October 29, 2012** (www.federalregister.gov). The Commission explained that the existing equity provision "was over-inclusive, in that it captured individuals without the ability to influence a company" (www.federalregister.gov), giving the example of owners of 10 percent of a class of preferred stock (www.federalregister.gov). It also worried that a narrower test could miss an owner who might indirectly have the power to dictate activities (www.federalregister.gov). The Commission described its modification as striking a balance between the over-

inclusive existing provision and the under-inclusive proposed language (www.govinfo.gov). The resulting text keeps a 10 percent equity line for voting securities and adds a controlling-influence prong (www.federalregister.gov), discussed below.

Under **17 CFR 3.1**, an individual qualifies if the person directly or indirectly, through agreement, holding company, nominee, trust or otherwise, owns ten percent or more of the outstanding shares of any class of equity securities other than non-voting securities (www.ecfr.gov). A non-individual qualifies only as the direct owner of that stake (www.ecfr.gov). This asymmetry is the most important mechanical fact in the worksheet: a natural person can be reached through a chain, while an entity is reached only at the direct level.

Management and control without equity

The federal definition lists named positions for a corporation, including a director, president, chief executive, chief operating, chief financial and chief compliance officer (www.ecfr.gov), and extends to anyone with a similar status or functions who has the power, directly or indirectly, to exercise controlling influence over the entity's activities (www.ecfr.gov). NFA's registration overview is parallel and adds that individuals who, through conduct or activity, directly or indirectly control a registrant are principals (www.nfa.futures.org), irrespective of formal title or financial interest.

The 2012 rulemaking explained the control prong as a response to holdings structured into non-voting securities with control exercised through a separate agreement (www.federalregister.gov). For a reviewer, the consequence is that a principal designation can rest on management, control or a financial interest, and the public label may not say which. That is why the worksheet records the route as "management", "control", "financial" or "unresolved", never as ownership by default.

Profit and capital routes

Equity is only one financial route. An individual can qualify by being entitled to receive 10 percent or more of net profits (www.ecfr.gov), and any person, including an entity, can qualify by contributing 10 percent or more of capital (www.ecfr.gov). A carve-out exists for certain subordinated debt, provided the debt is not guaranteed by a party not listed as a principal (www.ecfr.gov). These routes do not equal voting equity, and a profit or capital interest should never be recorded as a share percentage.

The anti-avoidance backstop and indirect owners

Section 3.1 deems an individual a principal where trusts, proxies or other devices are used to avoid the ownership or capital tests (www.ecfr.gov). The 2012 preamble describes that text as a backstop to the requirement to list indirect owners (www.federalregister.gov). For research, the existence of this backstop is a reminder that a legal-form reading of one record is not a control conclusion. **Rule 3.10** requires each Form 7-R application to be accompanied by a Form 8-R executed by each natural person who is a principal (www.ecfr.gov), so individuals are the unit of the filing, while entity principals appear on the firm's form.

Principal is a relationship, not a registration class

NFA likewise states that principals do not apply for registration. The practical consequence for researchers is that "registered principal" is a loose phrase. What exists is a firm registration, individual filings tied to the firm, and a disclosed relationship that ends when affiliation ends. Section 3.1(b) treats a Form 8-R as current only while the person remains affiliated as a principal (www.ecfr.gov).

Implementation Considerations and Process Changes

Step 1: Fix the claim and the mandate

Before searching, write the claim in one of four forms: (a) current controlling owner, (b) direct equity owner, (c) management team, (d) regulated activity. A principal record can support (c) and (d) directly. It can support (b) only for an individual or entity whose route is equity and whose percentage is separately sourced. It cannot, alone, support (a).

- **Controlling owner:** needs the top of the chain plus the type of control (voting, profit, contractual). A principal list is silent on the top of the chain for entity parents.
- **Direct equity owner:** a listed entity with an equity route is the closest fit, because entities qualify only on direct 10 percent or more ownership.
- **Management team:** a listed officer or director supports a management-role claim and nothing more.
- **Regulated activity:** registration or exemption records support the activity claim, not ownership.

Step 2: Resolve the correct record

BASIC offers separate search modes for firm, NFA identification number, individual and pool (www.nfa.futures.org). NFA describes BASIC as a free tool for Members and investors to research the background of derivatives industry professionals. A firm, a pool it operates and an individual associated person (AP) are different records. Keep identifiers separate in the worksheet, and where the target is also a Form ADV adviser or a broker-dealer, link to separate entity-identifier guidance rather than assuming the names match.

NFA's investor guidance tells researchers to check the individuals listed as principals of a firm, which implies principals are displayed. Whether a given interface shows a per-principal 10 percent flag, a title, a start date and an end date should be confirmed on the live record, and the reviewer should log what was actually visible on the retrieval date. The firm registration form's holding-company section asks for the legal name, federal employer identification number and place of organization of any entity that is a principal. A required filing is not the same as a public field, and this report does not assert that every filed element is public.

Step 3: Read what BASIC covers and what it omits

NFA's handout says BASIC covers information about pending, current or former CFTC registrants (www.nfa.futures.org), and lists registration and membership information, regulatory actions, financial data reports for futures commission merchants (FCMs) and certain arbitration information. The BASIC terms add that current and historical statuses are shown and that information about individuals is kept for **10 years** after registration or affiliation was withdrawn. The handout does not promise an ultimate-owner register, and its publication date is not established in this research.

Three limits matter for ownership work. First, BASIC does not include all background information disclosed on registration forms (www.nfa.futures.org). Second, entries can be delayed. Third, the terms disclaim any warranty of accuracy. The NFA Form 8-R privacy notice states that NFA publishes registration categories, status and disciplinary action concerning registrants and their principals on its website, including BASIC (www.nfa.futures.org). That sentence describes publication of registration status, not publication of equity percentages.

Step 4: Classify each relationship

For every observed principal, record the route (management, control, equity, profit, capital) and tag each as supported, inferred or unresolved. Use these decision rules:

- **Individual with an officer or director title:** classify as management. Do not assign a percentage.
- **Individual with an "owner" style title:** classify as equity or financial, route to be confirmed, percentage unknown unless a second source supports it.
- **Entity principal:** classify as a direct owner or general partner or capital contributor, and open an edge to its own parent as unresolved.
- **Chief compliance officer:** classify as management by position.

Step 5: Draw the visibility boundary with NFA's own examples

NFA's published examples illustrate where visibility breaks. In one, an individual owning 100 percent of a holding company that owns 50 percent of the registrant is a principal because the individual indirectly owns 50 percent (100% x 50% = 50%) (www.nfa.futures.org). In another, a two-tier chain (100% x 50% x 50%) yields 25 percent and the individual is a principal (www.nfa.futures.org). In a third, an individual holding 50 percent of a holding company that owns 10 percent of the registrant indirectly owns 5 percent, and is not a principal on ownership grounds (www.nfa.futures.org). In a further example, the parent holding company is not a principal because it does not directly own 10 percent or more.

Table 1 below converts these into a visibility map. It is generic: it shows how the definition can produce lists that differ from the corporate chain.

Chain element (generic)	Treated as principal under NFA examples?	What the principal list can show	What stays open
Individual with 100% of a holding company that owns 50% of the registrant	Yes, indirect 50%	A natural person at the top of the chain	The holding company's own listing and any other holders
Individual with 100% x 50% x 50%	Yes, indirect 25%	A natural person two tiers up	Exact stakes at each tier unless separately sourced
Individual with 50% of a holding company that owns 10%	No on ownership, 5% indirect	Nothing on the ownership route	A real but below-line interest can exist off the list
Parent holding company with 100% of a holding company that owns 50%	No, only indirect	Nothing about the parent	The parent's identity and its own owners
Direct entity owner of 10% or more	Yes, direct owner	An entity name with a direct stake	The entity's owners, unless the individuals qualify separately

The table's interpretive point is that visibility depends on the qualification route and on whether the interest is held by a person or an entity. Under the entity rule, ownership above the last listed entity can remain invisible without any irregularity. Multiplication through the chain is justified only where each underlying stake is independently established and is the same interest type. Three prohibitions follow:

- **No cross-type multiplication:** do not multiply a profit share by a voting share.
- **No back-solving:** do not derive a stake from principal status.
- **No threshold as observation:** a 10 percent line is a rule, not a measured holding.

A graph template helps: draw firm, person, pool, management-role, financial-interest and corporate-ownership edges as different edge types, and break the graph visibly wherever public data end.

Each hit should be routed with a short checklist:

- **Record identity:** firm, individual or pool, matched by identifier and not by name.
- **Status:** pending, current, former or exempt, with the date seen.
- **Role evidence:** title, route and period as displayed.
- **Corroboration:** a second filing with its own date and threshold.
- **Open edges:** every upstream entity or interest not yet sourced.

Step 6: Handle pending, former and exempt status as routing and currency

NFA's rules give firms **20 days** to report a new principal, and sponsors must notify NFA within **30 days** where a person does not become affiliated or an affiliation ends (www.nfa.futures.org). Corrections to principal information are required "promptly", and an application left deficient can be withdrawn and need a new filing. Reviewers should therefore record the retrieval date and treat a historical entry as history, not as proof of current operations. A no-hit is not a finding about the firm: it can reflect a wrong record, an exempt status or an unregistered activity.

Exempt and nonregistrant records need their own route. NFA says CPOs and CTAs file notices of exclusion or exemption electronically and annually affirm them, and Regulation 4.13(b)(4) states that a CPO's annual affirmation of an exemption notice is due within **60 days** of the calendar year end (www.law.cornell.edu). NFA's guide says failure to affirm results in withdrawal after the 60-day period. **Regulation 4.13(a)** says a person meeting its criteria is not required to register as a CPO (www.law.cornell.edu), the notice is effective on filing if materially complete (www.law.cornell.edu), and notices must be amended within **15 business days** after the operator becomes aware of an inaccuracy (www.law.cornell.edu). **Regulation 4.5** similarly excludes qualifying persons from the CPO definition (www.law.cornell.edu), and **Regulation 4.7** provides relief for registered operators, not an exemption from registration (www.law.cornell.edu). NFA states that BASIC reflects an affirmation date for exemptions held by CPOs and CTAs (www.nfa.futures.org) and a withdrawal date for unaffirmed ones. The BASIC terms' coverage list names exemptions under Regulations 30.5 and 30.10, so whether a specific notice filer has a visible profile should be checked on the live record rather than assumed. Exemption status does not establish ownership, fit or legitimacy, and this report does not declare any hypothetical company legally exempt.

Cross-Source Corroboration

A principal list should be compared with other filings, each preserving its own assertion, date and threshold. *Table 2* summarizes how the sources differ.

Source	Unit and threshold	Chain treatment	Public?
NFA principal records (Rule 101, Reg. 3.1)	Individuals: 10% equity, profit or capital, or control; entities: direct 10%	Individuals reached indirectly; entities only directly	Registration status published in BASIC; not all form content
SEC Form ADV, Schedule A and B	Direct owners at 5% or more of voting securities (www.sec.gov); codes by band (www.sec.gov)	Schedule B asks for indirect owners (www.sec.gov), listing 25% owners up the chain (www.sec.gov)	Public filing by advisers
SEC Form BD, Schedule A and B	Direct owners at 5% or more (www.sec.gov)	Indirect owners at 25% per level (www.sec.gov)	The SEC and FINRA state they will make information public (www.sec.gov)
GLEIF Level 2	Direct and ultimate accounting consolidating parent (www.gleif.org)	Exceptions where no parent, no parent LEI or opt-out (www.gleif.org)	Public, but follows accounting consolidation, not equity share
FinCEN beneficial ownership information (BOI)	Individuals who own or control a company	U.S. companies no longer required to file (www.fincen.gov)	Non-public database (www.fincen.gov)
FATF glossary concept	Natural person with ultimate effective control (www.fatf-gafi.org)	Chain or control other than direct; senior managing official fallback (www.fatf-gafi.org)	Standard, not a register

Read the table with four rules in mind:

- **Different thresholds:** do not average or reconcile percentages across forms.
- **Different units:** a person, an entity and an accounting parent are not the same node.
- **Different dates:** each filing speaks as of its own date.
- **Different publicity:** a required filing is not necessarily a public field.

Form ADV defines "control" as the power to direct or cause the direction of management or policies (www.sec.gov) and flags most executive officers and all 25 percent owners as control persons (www.sec.gov), which makes the ADV "control person" column a useful second view of management and ownership. For an RIA (registered investment adviser) that is also a CPO or CTA, the ADV chain and the NFA list can be compared line by line, but differences are expected because thresholds differ: 5 percent direct and 25 percent indirect on ADV, versus 10 percent direct-or-indirect for individuals and 10 percent direct for entities at NFA. For a broker-dealer target, FINRA's BrokerCheck is the public lookup for brokers and brokerage firms (brokercheck.finra.org).

For the "principal versus beneficial owner" question, the contrast is conceptual. FATF states that only a natural person can be an ultimate beneficial owner (www.fatf-gafi.org) and that a nominee shareholder is never the beneficial owner on the basis of nominee shares (www.fatf-gafi.org). An NFA principal can be an entity, a

director with no shares or a profit participant, so the concepts overlap without being equal. GLEIF's relationship data are likewise limited: entities need not provide non-public relationship information (www.gleif.org), and a non-consolidating controller falls under an exception that suppresses the parent (www.gleif.org).

FinCEN's position changed during 2026, and reviewers should confirm it again before relying on it. FinCEN states that it finalized its BOI reporting rule (www.fincen.gov), that the rule permanently removes the requirement for U.S. companies and U.S. persons (www.fincen.gov), that it became effective on **August 14, 2026** (www.fincen.gov), and that foreign entities that are reporting companies still must report (www.fincen.gov). In practice, BOI is no longer a route for domestic target research, and what is public remains the patchwork above. Ownership above reporting thresholds, or held through entities that no filing reaches, may remain invisible.

Case Studies and Real-World Examples (Hypothetical Examples)

The five cases below are entirely fictional. They contain no real firm, person or record, and they illustrate reviewer outcomes. *Table 3* summarizes them.

Case (Hypothetical Example)	Observed record	Reviewer outcome	Next evidence step
1. Nonowner chief officer at Firm Alpha, a fictional CTA	A chief compliance officer is listed as a principal and has a title only	**Supported-management-only**	Seek a separate source for any equity claim
2. Direct corporate owner with a further parent at Firm Beta, a fictional CPO	An entity principal with a direct 10 percent or more route; no parent listed	**Incomplete-chain**	Check ADV Schedule B or LEI parent data for the upstream entity
3. Indirectly qualifying individual at Firm Gamma	An individual with an owner-type title; two holding companies above the registrant	**Incomplete-chain** (route and percentage to be sourced)	Confirm each tier separately before multiplying
4. Pool and manager name collision (Delta)	A pool record is matched to a similarly named manager	**Wrong-record**	Re-resolve by identifier; do not carry over principals
5. Unverified exempt firm Epsilon	Firm states an exemption; notice not located in the lookup	**Incomplete-chain**, hold the screen	Check the exemptions route and affirmation date; avoid legal conclusions

Case 1: Nonowner chief officer (Hypothetical Example)

Firm Alpha's record lists a chief compliance officer as a principal. Because a chief compliance officer is a principal by position, the entry says nothing about shares. The reviewer records "management, position-based", leaves equity as unresolved, and marks the case supported-management-only. An ownership claim cannot be made from this row, and an independence or owner-type screen that depends on equity should stay on hold.

Case 2: Direct corporate owner with a corporate parent (Hypothetical Example)

Firm Beta lists "Beta Holdings", an entity, as a principal on a direct equity route. Under the entity rule, Beta Holdings qualifies as a direct owner, but a parent owning 100 percent of Beta Holdings would not itself be a principal because it owns only indirectly. The reviewer therefore has a supported direct-owner edge and an open upstream edge. The outcome is incomplete-chain, and the handoff names the missing edge precisely: the owners of Beta Holdings.

Case 3: Indirectly qualifying individual (Hypothetical Example)

Firm Gamma lists an individual whose title indicates indirect ownership, with a holding company between the person and the firm. The designation supports a claim that the individual meets an ownership or financial route, but not an exact stake. If, and only if, separate sources establish both stakes as the same interest type, NFA's style of multiplication applies, as in the 100% x 50% = 50% example. Absent that, the reviewer classifies the edge as incomplete-chain and writes "route supported, percentage unresolved." The 5 percent example is the cautionary mirror: a below-line indirect stake would produce no listing at all.

Case 4: Pool and manager name collision (Hypothetical Example)

A search for "Delta" returns a pool record and a similarly named operator record. The pool is not the operator, and the individuals associated with one are not automatically associated with the other. NFA's lookup separates firm and pool searches, and the correct step is to re-resolve using identifiers. The outcome is wrong-record, and none of the principal evidence from the wrong record may enter the matrix.

Case 5: Unverified exempt firm (Hypothetical Example)

Firm Epsilon says on its public materials that it operates under an exemption. A reviewer must not convert that statement into a legal conclusion. The relevant route is the NFA exemption notice and annual affirmation, which are separate from registration, and a non-registrant's exemption can be handled through different channels. If the record cannot be located or dated, the outcome is incomplete-chain, and the independence and owner-type screens are held for further evidence. A missing hit is a routing question, not a finding about the firm.

Data Analysis and Evidence

Population context

NFA's membership page, as of October 31, 2026, lists 2,726 total members, with 1,026 CPOs, 1,152 CTAs, **79** FCMs, **901** introducing brokers (IBs), **108** swap dealers and **37,066** Associates (www.nfa.futures.org). NFA notes that totaling all categories will not equal total membership because entities hold multiple registrations, and that CFTC-registered APs of Members must be Associate Members. NFA's directories are not public, so these aggregates are the public-facing counts.

The CFTC's 2024 rulemaking reports different, older numbers: approximately **1,128** registered CPOs as of March 2023 (www.federalregister.gov), approximately **1,241** registered CTAs as of June 2024 (www.federalregister.gov), and an average of about **5,257** pools reported quarterly on Form CPO-PQR in fiscal

year 2022 (www.federalregister.gov). It also reports that approximately **824** CPOs claimed Regulation 4.7 relief as of June 2024 (www.federalregister.gov). These figures come from different bodies, dates and definitions (members versus registrants versus reported pools), so they should not be subtracted from one another. They do indicate the order of magnitude of a screening universe: roughly a thousand CPO and a thousand or more CTA firms, with many more pools than operators.

Thresholds side by side

The thresholds in *Table 2* show why a single "ownership percentage" cannot be extracted from a principal list. **Form ADV** and **Form BD** use **5 percent** for direct owners (www.sec.gov) and **25 percent** per level for indirect owners (www.sec.gov). NFA uses 10 percent. An individual holding 8 percent directly appears on ADV Schedule A but not as an equity principal at NFA, while one holding 12 percent appears as an NFA principal on the equity route and in the ADV 10 to under 25 percent band (www.sec.gov). A fictional holder with a 4 percent stake appears in neither. This is arithmetic on published thresholds, not an observed distribution.

A declared metric: unresolved-chain share

No measured accuracy benchmark exists for principal-list ownership inference, so the worksheet defines a metric for a future, declared sample. Let N be the number of target records screened in the sample and U the number whose chain from the registrant to an ultimate natural person has at least one unresolved edge after all sources are checked. The **unresolved-chain share** is U / N. For illustration only, if a team declared a sample of 40 records and 14 ended as incomplete-chain, the share would be **14 / 40 = 35 percent**. That number is arithmetic on invented counts and is not a benchmark, an estimate for any population or a prediction. Report the sample frame, retrieval dates and source set with any real value.

Multiplication rules

Indirect stakes multiply only for the same interest type and only when each factor is independently sourced. NFA's examples compute 100% x 50% = 50%, 100% x 50% x 50% = 25% and 50% x 10% = 5%. A control prong designation has no percentage to multiply, and a profit entitlement is not a voting share.

Principal-evidence matrix

Use one row per relationship with these fields:

- **Identifier and entity type:** firm, person or pool.
- **Recorded relationship and period:** as displayed, with start and end if shown.
- **Qualification route:** management, control, equity, profit or capital, if supported.
- **Claim type:** equity, voting, profit, capital or control.
- **Corroborating source and excerpt:** with the page or form named.
- **Dates:** filing, effective and retrieval.
- **Counterevidence:** any source that conflicts.
- **Unresolved upstream entity:** the next edge to source.
- **Reviewer outcome:** one of the four labels above.

Source dates matter: NFA's principal page carries no date stamp, so the retrieval date is the anchor, and the underlying rule text has its own amendment history that should be checked for currency.

Implications and Future Directions

For origination teams, the main implication is procedural. A principal record is strong evidence for who is disclosed to the regulator in a management, control or financial role, and weak evidence for who ultimately owns the firm. Screening rules that label a firm "founder-owned" or "independent" on the basis of a principal list will misclassify cases where a holding company stands above the last listed entity, and rules that label a firm "institutionally owned" because an entity principal appears will misclassify cases where that entity is a family vehicle with natural-person owners reachable only in other filings.

A second implication concerns timing. Exemption and registration records change through annual affirmation cycles and affiliation events, and BASIC can lag. Teams should store retrieval dates and re-check before any outreach decision. Outreach, requests for private documents and any contact with a firm belong to later authorized diligence, not to this desk-research stage.

A third implication is that the legal landscape for beneficial ownership data moved in 2026 for domestic companies (www.fincen.gov), which pushes research back toward the regulatory filings described above, so the worksheet's cross-source discipline becomes more, not less, important. Reviewers should watch for rule changes: NFA's **Registration Rules** page shows rules amended over time, and the principal page itself is undated, so each project should record the page version it saw.

Adjacent public guidance tends to address a different decision. One broker due-diligence guide, for example, describes a pre-deposit workflow that treats the clearing FCM as the due-diligence target for an IB-routed account (nexusfi.com) and states that it excludes execution quality, strategy fit and post-deposit monitoring (nexusfi.com). That is a customer-protection workflow. The question here, whether a principal list can classify owner type for a PE mandate, is a different decision, and that guide does not address it in its visible text.

Frequently Asked Questions (FAQs)

What is an NFA principal?

A principal is an individual or entity whose role or interest in a registrant meets NFA's definition, through control, title or position, or ownership or financial stake. Principal is not a registration class (www.federalregister.gov).

What is the ownership percentage in the NFA principal definition?

For equity, 10 percent or more of any class of voting equity. Individuals count indirect holdings, while entities must own directly. Profit and capital routes also use 10 percent. Thresholds and exceptions should be rechecked against current rule text.

What is the difference between a principal and a beneficial owner?

A principal is a regulatory disclosure category and can be an entity or a person with no equity. FATF's beneficial owner concept centres on natural persons with ownership or ultimate effective control (www.fatf-gafi.org). They overlap but are not equivalent.

How can researchers search principals and registration in NFA BASIC?

Use the firm, NFA ID, individual or pool modes, confirm the record by identifier and log what the profile displays on the retrieval date. BASIC covers pending, current and former registrants but not all form content.

Who owns a futures commission merchant or commodity pool operator?

A principal list answers a narrower question than ownership. Entity owners appear only when they directly hold the qualifying stake, so upstream owners require other sources such as Form ADV Schedule B (www.sec.gov) or GLEIF parent data (www.gleif.org).

How can private equity researchers find beneficial owners of a company?

Combine the regulator's principal records, ADV or BD schedules where applicable and LEI relationship data, record each source's threshold and date, and keep unresolved edges open. U.S. domestic companies are no longer required to file BOI reports (www.fincen.gov).

Does exemption status say anything about ownership?

No. Exemption notices cover registration relief (www.law.cornell.edu) and do not establish ownership, fit or legitimacy. The notice representation covers statutory disqualification of the person and its principals (www.law.cornell.edu), not equity percentages.

Conclusion

A recorded NFA principal relationship supports a claim about a disclosed management, control or financial role. It supports an ownership claim only when the route is equity, the holder is correctly identified, and a separate source establishes the stake. Because individuals are reached through holding companies while entities are reached only when they own directly, a missing corporate parent is an open edge, not a closed one.

The worksheet reduces this to a routine: define the claim, resolve the record, classify each route, draw the boundary, compare separate filings, check status and currency, and hand unresolved control questions to authorized later diligence. Hold the independence or owner-type screen whenever the outcome is incomplete-chain or wrong-record, and release it only on sourced evidence. No real target, client or return figure underlies this report, and the cases above are fictional.

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. https://www.nfa.futures.org/registration-membership/who-has-to-register/principal.html

2. https://www.federalregister.gov/documents/2020/06/24/2020-13465/adoption-of-revised-registration-form-8-r
3. https://www.ecfr.gov/api/renderer/v1/content/enhanced/current/title-17?part=3&section=3.1
4. https://www.federalregister.gov/documents/2012/08/28/2012-20962/registration-of-intermediaries
5. https://www.nfa.futures.org/basicnet/basic-terms.aspx
6. https://www.sec.gov/files/formadv-part1a_1.pdf
7. https://www.fatf-gafi.org/en/pages/fatf-glossary.html
8. https://www.nfa.futures.org/registration-membership/membership-and-directories.html
9. https://www.cftc.gov/check
10. https://www.govinfo.gov/content/pkg/FR-2012-08-28/pdf/2012-20962.pdf
11. https://www.nfa.futures.org/registration-membership/who-has-to-register
12. https://www.ecfr.gov/api/renderer/v1/content/enhanced/current/title-17?part=3&section=3.10
13. https://www.nfa.futures.org/basicnet
14. https://www.nfa.futures.org/investors/investor-resources/files/BASIC-handout.pdf
15. https://www.nfa.futures.org/registration-membership/templates-and-forms/8rFormentire.pdf
16. https://www.nfa.futures.org/rulebooksql/rules.aspx?Section=8
17. https://www.law.cornell.edu/cfr/text/17/4.13
18. https://www.law.cornell.edu/cfr/text/17/4.5
19. https://www.law.cornell.edu/cfr/text/17/4.7
20. https://www.nfa.futures.org/news/newsNotice.asp?ArticleID=5516
21. https://www.sec.gov/files/formbd.pdf
22. https://www.gleif.org/en/lei-data/access-and-use-lei-data/level-2-data-who-owns-whom
23. https://www.gleif.org/en/lei-data/access-and-use-lei-data/level-2-data-reporting-exceptions-2-1-format
24. https://www.fincen.gov/boi
25. https://www.fincen.gov/boi-faqs
26. https://brokercheck.finra.org
27. https://www.fincen.gov/news/news-releases/fincen-permanently-ends-beneficial-ownership-reporting-requirements-millions
28. https://www.federalregister.gov/documents/2024/09/26/2024-21682/commodity-pool-operators-commodity-trading-advisors-and-commodity-pools-operated-updating-the
29. https://nexusfi.com/a/brokers/futures-broker-due-diligence

THE PUBLISHER

About Docket

Docket provides deal-origination research software and managed research for private equity firms. We help investment teams investigate acquisition targets using structured screening criteria, retained sources and reviewable company evidence. Teams can work through a self-serve platform or use managed research, depending on how they want research delivered.

Research against a defined mandate

A useful target list needs more than company names. Docket focuses on the questions that determine whether a company fits an investment mandate, including the evidence needed to support or qualify each answer. Our research approach makes the connection between screening criteria, source material and conclusions visible to the team reviewing the work.

Triage, Scout and Audit

Docket's three named research agents perform complementary tasks. Triage resolves company identity and screens fit. Scout collects sourced answers against the mandate. Audit checks retained evidence, addresses contradictions and leaves unsupported answers visibly unresolved. This structure helps reviewers distinguish established findings from missing information and questions requiring further investigation.

Evidence that supports investment-team judgment

Our research library covers market mapping, screening criteria, private-company data, succession and ownership, source evaluation and evidence standards. These resources explain the methods and limitations behind origination research. Findings support a team's judgment; they do not establish that a company is for sale or guarantee a transaction or investment outcome.

Work with Docket

Visit Docket to explore the platform, managed research and the current contact path. Read about screening criteria, evidence standards, AI research agents and market mapping.

Public examples are illustrative unless explicitly identified otherwise. Research preparation and authorized outreach are separate activities; confidential target lists and customer outcomes should never be inferred from an educational example.

Website: https://docket.capital

This article is educational. Verify consequential medical, legal, financial, regulatory and technical decisions with appropriate professionals and the cited primary sources. Company services are described separately from the article's research findings.