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*The Association for investment
professionals in futures, hedge funds
and other alternative investments.*

COMMENT

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September 13, 2001

Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20036

e-mail: secretary@cftc.gov

Re: Proposed Rules Concerning Intermediaries

Dear Ms. Webb,

This is in response to your request for comments published in the Federal Register on August 28, 2001 (66 Fed. Reg. 45221) on proposed rules relating to intermediation of commodity futures and commodity options transactions.

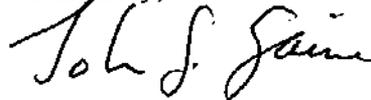
MFA commends the Commission and staff for these proposed rules and urges their prompt adoption. In particular, MFA applauds the Commission for proposing Rule 4.32, which permits a registered CTA to enter orders on a registered derivatives execution facility for non-institutional customers through any registered FCM provided that the CTA directs accounts containing total assets of not less than \$25,000,000. The Commission correctly noted in the release that:

"...a CTA meeting this asset test, in its capacity as a professional asset manager, would have the appropriate financial sophistication to handle the risk associated with trading for non-institutional customers on a DTF. Additionally, focusing on the financial sophistication of the person managing the assets, rather than on the sophistication of the individual client advised by the CTA, is consistent with the approach taken by the Commission in adopting Rule 30.12."

This further recognition by the Commission that the CTA's financial sophistication, rather than the customer's, should be the test to determine the ability to handle risk is important to the growth and competitive position of CTAs while maintaining meaningful customer protection. MFA strongly believes this is an appropriate exercise of the CFTC's statutory authority under Section 1a (12)(C) of the CEA, as added by the CFMA, to identify other persons who should be considered to be eligible contract participants.

MFA looks forward to working with the Commission and staff in its upcoming comprehensive review of the regulations affecting intermediaries. If you have any questions, please contact either me or MFA's General Counsel, Patrick J. McCarty at (202) 367-1140.

Sincerely,



John G. Gainc

