



## U.S. COMMODITY FUTURES TRADING COMMISSION

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### PRESS INFORMATION SHEET

## ***NFA AUTHORIZATION TO REVIEW ADDITIONAL COMMODITY POOL DOCUMENTS***

BOCA RATON, FL. -- As part of a continuing effort to delegate certain of its routine regulatory responsibilities, the Commodity Futures Trading Commission (CFTC) is authorizing the National Futures Association (NFA) to review disclosure documents that are provided to participants of publicly-offered commodity pools. The documents now under the NFA's review previously were required to be filed by commodity pool operators (CPOs) with both the CFTC and NFA. This action follows the CFTC's December 2002 order that authorized NFA to conduct reviews of the annual financial reports of all commodity pools for fiscal years ending on December 31, 2002 and later, which CPOs were previously required to file with the CFTC.

The futures industry is continually expanding and transforming itself and as the industry changes and evolves, the CFTC must also change and evolve, reassessing the manner in which it allocates its resources. Today's action continues that effort. Further, this action recognizes the important role that NFA plays as a self-regulatory organization.

#### **BACKGROUND:**

In 1997, the CFTC authorized NFA to receive and review disclosure documents required to be filed with the CFTC by CPOs, pursuant to CFTC Rule 4.26(d), with regard to "privately-offered" commodity pools – i.e., pools offered pursuant to Section 4(2) of the Securities Act of 1933, or pursuant to Regulation D thereunder. In December 2002, the CFTC noted that, with regard to this area of authorization, as well as others, NFA has exercised its authority with particular proficiency. Additionally, the CFTC noted that, as a result of authorizing NFA to perform such functions, CFTC staff has been able to devote resources to other aspects of the CFTC's regulatory mission. Accordingly, the CFTC has now determined that NFA should be authorized to receive and to review disclosure documents of publicly-offered commodity pools.

In December 2002, concurrently with authorizing NFA to review annual financial reports filed by CPOs, the CFTC made certain amendments to Part 4 of its Rules so as to, among other things, make clear that disclosure documents with regard to privately-offered commodity pools need only be filed with NFA and need not also be filed with the CFTC. The CFTC is now amending Rule 4.26(d) so as to make clear that CPOs need only file such Disclosure Documents of publicly-offered pools with NFA and need not also file them with the CFTC.