



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-6700
Facsimile: (202) 418-5528
tsmith@cftc.gov

Division of Swap Dealer and
Intermediary Oversight

Thomas J. Smith
Acting Director

CFTC Letter No. 15-19
Exemption
March 18, 2015
Division of Swap Dealer and Intermediary Oversight

RE: “A”, a registered commodity pool operator for the “B”

This letter is in response to your letter dated February 16, 2015, to the Division of Swap Dealer and Intermediary Oversight (“Division”) of the Commodity Futures Trading Commission (“Commission”), as supplemented by emails with Division staff. You request on behalf of “A”, the registered commodity pool operator (“CPO”) for the “B” (the “Pool”), relief from Commission Regulation 4.7(b)(3), which requires that the CPO distribute to its participants, and file with the National Futures Association (“NFA”), an Annual Report within 90 days of the close of the Pool’s fiscal year. Instead, you propose to file a 14-month Annual Report for the Pool for the period from January 1, 2015, the date upon which the Pool began trading, through February 29, 2016, the close of the Pools’ 2015-2016 fiscal year.

Based upon the representations made in your letter, we understand the relevant facts to be as follows. You request, on behalf of the CPO and Pool, an exemption from the requirement of Commission Regulation 4.7(b)(3) that the CPO distribute and file an Annual Report within 90 days of the close of the Pool’s fiscal year ending February 28, 2015.¹ You state that the Pool launched on January 1, 2015, and that, as of January 31, 2015, the Pool had a net asset value of \$.

Your request for relief is limited in that you request that the Annual Report requirement not be waived entirely. Rather, you request permission for the CPO to combine information that would be contained in the Pool’s 2014-2015 Annual Report with the Pool’s 2015-2016 Annual Report, creating a 14-month combined Annual Report covering the period from the Pool’s inception of trading, January 1, 2015, through February 29, 2016. In support of your request, you have also submitted a signed waiver from the Pool’s sole participant, agreeing to waive their right to an Annual Report for the period from January 1, 2015 to February 28, 2015, and agreeing to receive instead a 14-month Annual Report covering the period from January 1, 2015 to February 29, 2016.

¹ The Division notes that the Pool operates on a March through February fiscal year schedule. Therefore, its first fiscal year lasted from January 1, 2015, the date the pool began trading through February 28, 2015. The next fiscal year began March 1, 2015, and will end on February 29, 2016.

RE: "A"

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Commission Regulation 4.7(b)(3) provides a CPO an exemption from filing and distributing an Annual Report in accordance with Commission Regulation 4.22(c); provided that the CPO files with NFA and distributes to each participant an Annual Report for the exempt pool that complies with Commission Regulation 4.7(b)(3) within 90 calendar days after the end of the exempt pool's fiscal year or the permanent cessation of trading, whichever is earlier. The principal purpose of financial reporting required by Commission Regulation 4.7(b)(3) is to ensure that pool participants receive accurate, fair and timely information on the overall trading performance and financial condition of the pool.

Based upon the representations made in your letter, the Division believes that granting the request of the CPO to file an Annual Report for the 14-month period from January 1, 2015 to February 29, 2016 is neither contrary to the purposes of Commission Regulation 4.7 nor to the public interest. Accordingly, pursuant to the authority delegated by Commission Regulations 140.93 and 4.12(a), the Division will grant the CPO's request for relief from the Annual Report requirement of Regulation 4.7(b)(3), thereby permitting it to file an Annual Report for the Pool for the 14-month period from January 1, 2015, to February 29, 2016.

The relief issued by this letter does not excuse persons relying on it from compliance with any other applicable requirements contained in the Commodity Exchange Act or in the Commission regulations issued thereunder, including, but not limited to, Part 4 of the Commission's regulations. Further, the relief provided by this letter is based upon the representations made by you to the Division. Any different or omitted facts may result in a different determination and may render any relief set forth in this letter void. The relief issued by this letter is conditioned on the distribution to the Pool's participants and the filing with NFA of an Annual Report containing combined financial information for the period beginning January 1, 2015, and ending February 29, 2016, in full compliance with Commission Regulation 4.7(b)(3).

If you have any questions regarding this letter, please contact Amanda Olear, Associate Director, at 202-418-5283 or aolear@cftc.gov, or Elizabeth Groover, Special Counsel, at 202-418-5985 or egroover@cftc.gov.

Very truly yours,

Thomas J. Smith
Acting Director
Division of Swap Dealer and
Intermediary Oversight