



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Thomas J. Smith  
Acting Director

CFTC Letter No. 15-47  
Exemption  
July 21, 2015  
Division of Swap Dealer and Intermediary Oversight

Thomas W. Sexton, III  
Senior Vice President and General Counsel  
300 S. Riverside Plaza  
Suite 1800  
Chicago, IL 60606

**Re: Exemptive Relief from CFTC Regulation 4.27(c) with Respect to Certain Registered  
Commodity Trading Advisors**

Dear Mr. Sexton:

This letter is in response to your request dated March 6, 2015, to the Division of Swap Dealer and Intermediary Oversight (“Division”) of the Commodity Futures Trading Commission (“Commission”), requesting that certain commodity trading advisors (“CTAs”) be exempt from filing a report consistent with Commission Regulation 4.27.<sup>1</sup>

Specifically, you request that CTAs that are registered with the Commission, yet do not direct, as that term is defined in Commission Regulation 4.10(f), any trading of commodity interest accounts, be exempt from the requirement in Commission Regulation 4.27(c) to file a report consistent with Appendix C to Part 4 of the Commission's regulations (“Form CTA-PR”).<sup>2</sup>

As support for this request, you cite CFTC Letter No. 14-115,<sup>3</sup> in which the Division provided exemptive relief from Commission Regulation 4.27(c) for any commodity pool operator (“CPO”) registered with the Commission that only operates pools pursuant to a claim of exemption from registration or for which the CPO maintains an exclusion from the definition of CPO. Pursuant to that letter, these CPOs received exemptive relief from the requirement in

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<sup>1</sup> Commission Regulations referred to herein are found at 17 CFR Ch. I (2015).

<sup>2</sup> See also 17 CFR 4.27(b)(2) (defining persons required to report as “[a]ny commodity trading advisor that is registered or required to be registered under the Commodity Exchange Act and the Commission’s regulations thereunder”).

<sup>3</sup> CFTC Staff Letter No. 14-115 (Sept. 8, 2014).

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Commission Regulation 4.27(c) to file a report consistent with Appendix A to Part 4 of the Commission's regulations ("Form CPO-PQR").

The Division reasoned in CFTC Letter No. 14-115 that requiring these CPOs to file a Form CPO-PQR would provide limited additional information regarding the CPO beyond the information already available to the Commission as part of the registration process and the CPO's ongoing obligations as registrants. The same rationale applies in the instant scenario – requiring a registered CTA that does not direct any trading of commodity interest accounts to file a Form CTA-PR would similarly provide limited additional information regarding that CTA.

Therefore, under these circumstances, the Division does not believe that requiring these CTAs to file a Form CTA-PR furthers the purposes of the Commission's regulations. Pursuant to the Commission's exemptive authority under Commission Regulation 4.12(a), as delegated to the Division by Commission Regulation 140.93, the Division finds that it is not contrary to the purposes of Commission Regulation 4.27 and the public interest to provide exemptive relief from Commission Regulation 4.27(c) for a CTA, such that it is not required to file a Form CTA-PR, where the CTA is registered, but does not direct, as that term is defined in Commission Regulation 4.10(f), any trading of commodity interest accounts.

The relief provided herein is based on the representations made to, and the facts and circumstances as understood by, the Division. Any additional, changed, or omitted facts or circumstances could affect the Division's views and render the relief void. The exemptive relief provided by this letter does not excuse compliance with any other applicable requirements contained in the Act or in the Commission's regulations issued thereunder.

Should you have any questions, please do not hesitate to contact Amanda Olear, Associate Director, at 202-418-5283 or aolear@cftc.gov or Michael Ehrstein, Special Counsel, at 202-418-5957 or mehrstein@cftc.gov.

Very truly yours,

Thomas J. Smith

cc: Regina Thoele, NFA, Compliance