



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Eileen T. Flaherty  
Director

CFTC Letter 16-14  
Exemption  
February 3, 2016  
Division of Swap Dealer and Intermediary Oversight

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

Dear :

This letter is in response to your letter dated January 14, 2016, to the Division of Swap Dealer and Intermediary Oversight (“Division”) of the Commodity Futures Trading Commission (“Commission”). You request on behalf of “A”, the commodity pool operator (“CPO”) for the “B” (the “Pool”), exemptive 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 17-month Annual Report for the Pool for the period from August 3, 2015, the date the Pool began trading, to December 31, 2016.

Based upon the representations made in your letter, we understand the relevant facts to be as follows. The Pool is operated pursuant to an exemption under Commission Regulation 4.7. You are requesting an exemption from the requirement of filing an Annual Report for the Pool’s fiscal year ending December 31, 2015. Instead, you are seeking permission to distribute an Annual Report to the Pool’s participants with respect to the period beginning on August 3, 2015, and ending on December 31, 2016. You state that the Pool began trading on August 3, 2015. As of December 31, 2015, the Pool had a net asset value of \$, and four participants, three of whom are principals of the CPO, or an entity controlled by a principal of the CPO. The remaining participant is an unaffiliated third-party. In support of your request for relief, you have also submitted a signed waiver from the unaffiliated participant, waiving his right to receive an Annual Report for the fiscal year ending on December 31, 2015.

Commission Regulation 4.7(b)(3) requires each registered CPO to file an Annual Report with NFA and distribute copies to the pool participants within 90 calendar days of the end of the pool’s fiscal year or the permanent cessation of trading. The principal purpose of financial reporting required by Commission Regulation 4.7 is to ensure that pool participants receive

**RE: "A"**

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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 Pool for the 17-month period from August 3, 2015 to December 31, 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 and distribute<sup>1</sup> an Annual Report for the Pool for the 17-month period from August 3, 2015 to December 31, 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. Further, this letter, and the relief contained herein, is based upon the representations made to the Division. Any different, changed or omitted material facts or circumstances might render this letter void. Finally, the Division retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the relief provided herein, in its discretion.

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,

Eileen T. Flaherty  
Director  
Division of Swap Dealer and  
Intermediary Oversight

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<sup>1</sup> The Division has historically interpreted Commission Regulation 4.22(c)(8) to exclude controlling principals from the "participants" required to receive an Annual Report each year.