



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Eileen T. Flaherty  
Director

CFTC Letter No.16-48  
Exemption  
March 23, 2016  
Division of Swap Dealer and Intermediary Oversight

**Re: Relief from the annual report requirement of Commission regulation 4.7(b)(3) for “A” with respect to three commodity pools**

Dear :

This is in response to your letter dated January 21, 2016 to the Division of Swap Dealer and Intermediary Oversight (the “Division”) of the Commodity Futures Trading Commission (the “Commission”). You request on behalf of “A”, the commodity pool operator (the “CPO”) for “B” (the “Onshore Feeder Fund”), “C” (the “Offshore Feeder Fund”), and “D” (the “Master Fund,” together with the Onshore Feeder Fund and the Offshore Feeder Fund, the “Pools”), relief from the requirement in Commission regulation 4.7(b)(3) to file with the National Futures Association (“NFA”) and distribute to each Pool participant an annual report within 90 calendar days after the Pools’ 2015 and 2016 fiscal years. Instead, you propose to file and distribute a report for the Pools that covers the period of time from the inception of trading to December 31, 2016 that otherwise satisfies the requirements of Commission regulation 4.7(b)(3) within 90 calendar days after the Pools’ 2016 fiscal year.

Based upon the representations made in your letter and other email and telephone correspondence (the “Correspondence”), we understand the facts to be as follows. You request, on behalf of “A”, relief from the requirement in Commission regulation 4.7(b)(3) to file with NFA and distribute to each Pool participant an annual report within 90 calendar days after the Pools’ 2015 and 2016 fiscal years. You state that “A” operates each Pool pursuant to Commission regulation 4.7, and each Pool has a fiscal year end date of December 31. You state that the Pools first accepted funds from outside investors on October 5, 2015. You state that the Master Fund commenced trading activities on September 28, 2015, with capital contributed by the controlling principal of “A”. You state that, as of December 31, 2015, the net asset value of the Master Fund was \$, the Onshore Feeder Fund was \$, and the Offshore Feeder Fund was \$. You also state that all participants in the Pools have waived their right to receive an annual report from their respective Pools for fiscal year 2015 and have instead agreed to receive an annual report at the end of fiscal year 2016 that covers the period from the inception of trading to the end of fiscal year 2016. You have provided a copy of these waivers to the Division.

“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) with respect to an exempt pool it operates in accordance with Commission regulation 4.7; 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 regulations 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 the Correspondence, the Division believes that granting relief is neither contrary to the purpose of Commission regulation 4.7(b)(3) nor to public interest. Accordingly, pursuant to the authority delegated by Commission regulations 140.93 and 4.12(a), “A” is hereby granted relief from the requirement in Commission regulation 4.7(b)(3) to file with NFA and distribute to each Pool participant an annual report within 90 calendar days after the Pools' 2015 and 2016 fiscal years; provided, that, with respect to each Pool, “A” files with NFA and distributes to all Pool participants a report pursuant to Commission regulation 4.7(b)(3) that covers the period of time covering the commencement of trading on September 28, 2015 to December 31, 2016 that otherwise satisfies the requirements of Commission regulations within 90 calendar days after the Pools' 2016 fiscal year.

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.

Should you have any questions, please do not hesitate to contact Amanda Olear, Associate Director, at 202-418-5283, or Chang Jung, Special Counsel, at 202-418-5202.

Very truly yours,

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