



## U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre  
1155 21st Street, NW, Washington, DC 20581  
Telephone: (202) 418-5326  
[eflaherty@cftc.gov](mailto:eflaherty@cftc.gov)

Division of Swap Dealer and  
Intermediary Oversight

Eileen T. Flaherty  
Director

CFTC Letter No. 16-54  
Exemption  
April 28, 2016  
Division of Swap Dealer and Intermediary Oversight

**Re: Exemptive Relief Request Concerning Quarterly Account Statements Required by Commission Regulation 4.7(b)(2) from “A” and “B”**

Dear :

This is in response to your letter, dated April 4, 2016, to the Division of Swap Dealer and Intermediary Oversight (the “Division”) of the Commodity Futures Trading Commission (the “Commission” or “CFTC”). You request on behalf of “A” and “B” (together, “C”), the commodity pool operators (the “CPOs”) of “D” (the “Pool”), which invests in investment vehicles operated by unaffiliated entities, relief from the 30-day period for distribution of quarterly account statements to participants under Commission regulation 4.7(b)(2). You propose instead to provide the information required under Commission regulation 4.7(b)(2) on a monthly basis within 45 days of the month end.

Based on your letter and additional email correspondence, the Division understands the relevant facts to be as follows. You state that the Pool is a direct “fund of funds” that makes investments in underlying investment vehicles (“sub-funds”). You state that, in order for “C” to prepare the quarterly account statements for the Pool, it must first obtain the actual quarter-end financial information from the sub-funds. You state that the sub-funds are operated by entities not affiliated with “C” and are required to distribute their financial information within 30 days of each month. However, you state that “C” receives some of the financial information it needs to prepare the Pool’s quarterly account statements near the 30-day deadline under Commission regulation 4.7(b)(2). Therefore, you state that it is difficult for “C” to process the financial information from its sub-funds, generate the Pool’s account statements, and distribute those accounts statements to the Pool’s participants within the 30-day period prescribed by Commission regulation 4.7(b)(2). In support of your request, you reference CFTC Letter 15-44<sup>1</sup> and state that “C” will comply with the conditions for relief outlined in that letter.

In consideration of the foregoing, the Division concludes that your request is neither contrary to the purposes of Commission regulation 4.7(b)(2) nor the public interest. Therefore, pursuant to the authority under Commission regulation 4.12(a), as delegated to the Division

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<sup>1</sup> CFTC Letter No. 15-44 (May 6, 2015). This letter is available on the Commission’s website, [www.cftc.gov](http://www.cftc.gov).

“A”

“B”

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under Commission regulation 140.93, the Division hereby grants relief to “C” with respect to the operation of the Pool. This exemptive relief is conditioned upon the following:

1. “C” must distribute to all Pool participants within 45 calendar days after the end of each month an account statement that includes all of the information required to be included in a Commission regulation 4.7(b)(2) quarterly account statement and that is signed and affirmed in accordance with Commission regulation 4.22(h); and
2. “C” must inform current and prospective Pool participants that account statements will be provided within 45 days after the end of the covered month.

The exemptive relief provided in this letter is applicable to “C” solely with respect to the Pool. Moreover, 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. The Division also 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