

CFTC Letter No. 00-23**March 3, 2000****Exemption****Division of Trading & Markets**

Dear :

This is in response to your correspondence dated January 20, 2000, and your subsequent response dated February 26, 2000. Your correspondence requested exemptive relief from the requirements of Commodity Futures Trading Commission ("CFTC") Rule 4.22. The request is filed by XX, the commodity pool operator ("CPO") for Y (the "Fund"). You request an exemption from the requirements of Rules 4.22(d) that the financial statements prepared for the Annual Report be certified by an independent public accountant.

Based upon the representations made in your correspondence, we understand the relevant facts to be as follows. The Partnership was organized in October, 1997, and as of January, 2000, is undergoing an orderly closing of open market positions and a liquidation of assets. As of December 31, 1999, the partnership comprised of 13 partners with a total capital of \$353,891.62. The general partner and five partners own or control 58.5% of the partnership assets. During 1999, there were capital additions of \$60,000 and capital redemptions of \$1,177,077.57. You state that due to the orderly liquidation of the fund currently in process, the time and expenses of providing a certified audit in relation to the low level of assets as of December 31, 1999, and the fact that each partner has agreed to waive the audit requirement, you request an exemption from a certified audit for the 1999 financial statements included in the annual report. You have submitted statements in support of this exemption from each of the 13 participants. You have also submitted a non-certified annual report for the period ended December 31, 1999.

Rules 4.22(c) and (d) require each registered CPO to file a certified Annual Report with the Commission and distribute copies to the pool participants within 90 calendar days of the end of the pool's fiscal year. The principal purpose of financial reporting required by Rule 4.22 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 letters, the Division believes that granting the request to XX for its Y is neither contrary to the purposes of Rule 4.22 nor to the public interest. Accordingly, pursuant to the authority delegated by Rule 140.93(a)(1) but subject to the conditions set forth below, XX is hereby granted relief from the certification requirement of Rule 4.22(d) for the Fund's fiscal year ending December 31, 1999.

The relief granted in this letter is conditioned on the distribution of an unaudited Annual Report for 1999 that otherwise complies with 4.22(c) and (d). Moreover, this letter applies solely with respect to the exemption from compliance with the certification requirement of Section 4.22(d) for the fiscal year ending December 31, 1999 and this in no way shall excuse XX or Y, from compliance with any other applicable requirements contained in the Act or in the Commission's regulations issued thereunder.

This letter is based on the representation you have made to us. Any different, changed or omitted facts or conditions might cause us to reach a different conclusion. This letter represents the position of the Division of Trading and Markets only. It does not necessarily reflect the views of the Commission or any other office or division of the Commission. If you have any questions regarding this letter, please contact me or Z. Patricia Ross, Futures Trading Specialist on my staff, at (202) 418-5469.

Very

truly
yours,

Kevin
P.
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Assistant Director

cc: Anthony Gialanella, Compliance

National Futures Association