

CFTC Letter No. 00-26**March 2, 2000****Exemption****Division of Trading & Markets**

Dear :

This is in response to your correspondence dated January 21, 2000, and your subsequent response dated February 28, 2000. Your correspondence requested exemptive relief from the requirements of Commodity Futures Trading Commission ("CFTC") Rule 4.22. The request is filed by XX, commodity pool operator ("CPO") for Y (the "Fund"). You request an exemption from the requirements of Rules 4.22(c) that the CPO distribute and file an unaudited Annual Report for the pool's fiscal year ending December 31, 1999 that otherwise complies with Rule 4.22(c) and to include this information in the Annual Report for the period ending December 31, 2000.

Based upon the representations made in your correspondence, we understand the relevant facts to be as follows. The pool began trading on October 15, 1999. You received total gross contributions of \$42,000.00 from the limited partners. The Fund has six limited partners, including the CPO. The pool participants are responsible for the cost of the certified audit. As of January 31, 2000, the Fund's net asset value was \$35,404.85. There were no additions or withdrawals made during the period. You state that in consideration of the relatively short period of time that the pool has been in operation and the small number of limited partners, you request exemption from filing a certified annual report. You have submitted statements in support of this exemption from each of the six 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 letter, the Division believes that granting the request on behalf of the pool 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, the pool is hereby granted relief from the certification requirement of Rule 4.22(d) for the pool's fiscal year ending December 31, 1999.

The relief granted in this letter is conditioned on [1] the distribution of an unaudited Annual Report for 1999 that otherwise complies with 4.22(c) and (d), and [2] the future filing on behalf of Y, of a certified Annual Report for the period October 15, 1999 through December 31, 2000 in accordance with Rule 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, including but not limited to the requirements of Sections 4.22(a) and (b) regarding the distribution of quarterly or monthly Account Statements of the pool.

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.
Walek

Assistant Director

cc: Anthony Gialanella, Compliance

National Futures Association