

CFTC Letter No. 00-24**February 11, 2000****Exemption****Division of Trading & Markets**

Dear :

This is in response to your letter dated January 24, 2000 in which you state that you are the President of XX, a registered commodity pool operator ("CPO") for Y (the "Fund"). You further state that on behalf of all the partners in the Fund, you request an exemptive relief from Commodity Futures Trading Commission ("CFTC") Rule 4.22 (d) because the cost of a certified audit would be excessively expensive relative to the Fund's assets. Instead, you propose to provide the participants with an unaudited Annual Report for 1999 that otherwise complies with Rules 4.22(c) and (d).

Based upon the representations made in your correspondence, we understand the relevant facts to be as follows. The Fund conducted its first commodity trade in April 1999. As of December 31, 1999, the Fund had a total of eight limited partners and one General Partner. On December 31, 1999, the Fund had total assets of \$79,354. You have submitted statements in support of this exemption from each of the partners.

Rule 4.22(c) requires 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, or after the permanent cessation of trading, whichever is earlier. Under Rule 4.22(d), the financial statements in the annual report must be presented and computed in accordance with generally accepted accounting principles consistently applied and must be certified by an independent public accountant. 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 Fund 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 exempted from the requirement of Rule 4.22 (d) that a certified annual report for the year ending December 31, 1999, be distributed to each participant in the pool and to the Commission.

The relief granted in this letter is conditioned with the further provisos that the Fund files an

unaudited annual report for the pool for the year ending December 31, 1999, that otherwise complies with the requirements of Rule 4.22. 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 the Fund 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.

If you have any questions, please contact me at (202) 418-5463 or Bill Yowell at (202) 418-5454.

Sincerely,

Kevin Walek

Assistant Director

cc: Anthony Gialanella

National Futures Association