

**CFTC Letter No. 02-42**

**April 10, 2002**

**Exemption**

**Division of Trading and Markets**

Dear:

This is in response to your letter dated March 26, 2002 to the Division of Trading and Markets (“Division”) of the Commodity Futures Trading Commission (“CFTC”), requesting an extension of time until April 30, 2002 to file the December 31, 2001 Annual Report for Y Ltd. (the “Pool”). The request is filed on behalf of X Inc., the commodity pool operator (“CPO”) for the Pool. (The letter also requested extensions of time for YY Fund Ltd., and ZZ Fund LP. Both of these pools qualified for relief pursuant to Rule 4.22(f)(2) and were processed in that manner.)

Rule 4.22(f)(1) allows a CPO to request an extension in the event that the CPO cannot distribute an Annual Report for a pool that it operates within 90 days after the end of the pools’ fiscal year without substantial undue hardship. The request must include detailed supporting documentation to justify the need for the extension. The CPO must also provide a letter from the pool’s independent public accountant addressing certain questions specified in Rule 4.22(f)(1).

In support of your request you stated that until you received clarification from CFTC staff you had interpreted the “Dear CPO Letter” to provide automatic relief from filing an annual report to pools with only a few months of trading. As a consequence of this misunderstanding, your auditors were unable to complete their audit in time to comply with the filing deadline, but you indicate that you will be able to file the certified annual report by April 30, 2002.

Due to the fact that you have made an honest error and a good faith effort to comply with the rules, the Division has determined to grant an extension until April 30, 2002 to file the audited Annual Report for the fiscal year ending December 31, 2002. This extension is granted for this year only. In the future the annual report must be filed within the time required by 4.22(c).

The Division believes that granting the extension of 30 days 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), X Inc. is hereby granted an extension of time to file the Annual Report for Y Ltd. until April 30, 2002.

This exemption applies solely with respect to the extension of time to file the 2002 annual report and shall not excuse X Inc. or the Pool from compliance with any other applicable requirements or prohibitions contained in the Commodity Exchange Act or in the Commission’s regulations issued thereunder. You must notify us immediately in the event that the activities or operations of the Pool change in any material respect from those as represented to us.

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. If you have any questions regarding this letter, please contact me or, Donald Bass, Futures Trading Specialist on my staff, at (202) 418-5462.

Very truly yours,

Kevin P. Walek  
Assistant Director  
(202) 418-5463

cc: Regina Thoele, Compliance  
National Futures Association