



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5977
Facsimile: (202) 418-5407
gbarnett@cftc.gov

Division of Swap Dealer and
Intermediary Oversight

Gary Barnett
Director

CFTC Letter No. 14-48
Exemption
March 28, 2014
Division of Swap Dealer and Intermediary Oversight

Re: “A”, a registered commodity pool operator for “B”

Dear :

This is in response to your letter dated March 19, 2014 to the Division of Swap Dealer and Intermediary Oversight (the “Division”) of the U.S. Commodity Futures Trading Commission (the “Commission”). You request on behalf of “A”, the commodity pool operator (the “CPO”) for “B” (the “Pool”), exemptive relief from the requirement to file with the National Futures Association (“NFA”) and distribute to Pool participants an annual report for the Pool pursuant to Commission regulation 4.22(c) within 90 calendar days after the end of the Pool’s fiscal year or the permanent cessation of trading, whichever is earlier, and instead file with NFA and distribute to Pool participants an annual report for the Pool covering the period from January 1, 2013 to January 31, 2014 by April 30, 2014.

Based upon the representations made in your letter and other telephone and email correspondence (the “Correspondence”), we understand the facts to be as follows. You request, on behalf of “A”, exemptive relief from the requirement to file with NFA and distribute to Pool participants an annual report for the Pool pursuant to Commission regulation 4.22(c) within 90 calendar days after the end of the Pool’s fiscal year or the permanent cessation of trading, whichever is earlier, and instead file with NFA and distribute to Pool participants an annual report for the Pool covering the period from January 1, 2013 to January 31, 2014 by April 30, 2014. You state that the Pool is a fund that enables certain investors that have investment accounts with “C”, and other divisions or affiliates of the “D” to access the “E” utilized by the Pool’s trading advisor, “F” (the “Trading Advisor”). You state that “A” was informed by the Trading Advisor on December 23, 2013 that the Trading Advisor would no longer be offering the “E”. You state that, as a result, “A” decided to wind up the Pool’s operations. You state that, on January 31, 2014, the Pool permanently ceased trading and the Pool’s participants were mandatorily redeemed out effective January 31, 2014. You state that the redemption proceeds totaling approximately \$ were paid to all Pool participants who were remaining as of January 31, 2014 (the “Remaining Participants”) on February 10, 2014. You state that no participants redeemed from the Pool during the period occurring after December 31, 2013 and ending before January 31, 2014. You state that as of January 31, 2014, the Pool’s liabilities, including redemptions payable, offset the Pool’s assets and its balance sheet reflected net assets of zero.

“A”

Page 2

Commission regulation 4.22(c) requires a registered CPO to distribute an annual report as described in Commission regulation 4.22(c) to each participant in each pool that it operates, and must electronically submit a copy of the annual report and key financial balances from the annual report to NFA within 90 calendar days after the end of the pool’s fiscal year or the permanent cessation of trading, whichever is earlier. The principal purpose of financial reporting required by Commission regulation 4.22(c) 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 the Correspondence, the Division believes that granting relief is neither contrary to the purpose of Commission regulation 4.22(c) nor to public interest. Accordingly, pursuant to the authority delegated by Commission regulations 140.93 and 4.12(a), “A” is hereby granted relief from the requirement to file with NFA and distribute to the Remaining Participants an annual report for the Pool that covers the fiscal year from January 1, 2013 to December 31, 2013 and another annual report for the Pool that covers the period from January 1, 2014 to January 31, 2014 pursuant to Commission regulation 4.22(c). This relief is conditioned on “A” filing with NFA and distributing to the Remaining Participants an annual report for the Pool that covers the period from January 1, 2013 to January 31, 2014 that otherwise complies with all applicable Commission regulations by April 30, 2014.

This letter, and the positions taken herein, represents the view of this Division only, and does not necessarily represent the position or view of the Commission or of any other office or division of the Commission. 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 interpretation void.

Should you have any questions, please do not hesitate to contact Amanda Olear, Associate Director, at 202-418-5283, or Chang Jung, Attorney-Advisor, at 202-418-5202.

Very truly yours,

Gary Barnett
Director
Division of Swap Dealer and
Intermediary Oversight