



COMMODITY FUTURES TRADING COMMISSION

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93-112

**DIVISION OF
TRADING AND MARKETS**

December 8, 1993

Re: Request for Limited Relief Regarding Ethics
Training for Certain Associated Persons

Dear :

This is in response to your letter dated September 15, 1993, in which you request that the Division of Trading and Markets ("Division") of the Commodity Futures Trading Commission ("Commission") provide limited relief to certain associated persons ("APs") residing abroad with respect to the timeframe for compliance with the Commission's initial ethics training requirement.

Based upon the representations made in your letter, we understand the relevant facts to be as follows. "X" currently has two registered APs, "A" and "B", who are located in Geneva, Switzerland. Pursuant to the Commission's new ethics training requirement,^{1/} these two individuals are required to attend four hours of ethics training by January, 1994. You represent, however, that "Y"'s ethics training course, which "X" plans on using, will not be provided in Europe until early Spring, 1994. Accordingly, you request that the Division extend the six month time period to receive initial ethics training for the individuals above as well as for any other individuals working in offices located outside the United States ("Foreign APs") who may be registered as APs of "X" prior to the end of calendar year 1993.

Commission Rule 3.34(d)(1)^{2/} requires in general that persons granted registration with the Commission after April 26, 1993, who have not received prior ethics training, receive four

^{1/} The Commission's ethics training requirement was mandated under Section 210 of the Futures Trading Practices Act of 1992, Pub. L. No. 102-546, 106 Stat. 3590 (1992). The ethics training provision is codified at Section 4p(b) of the Commodity Exchange Act ("Act"), 7 U.S.C. 6p(b) (Supp. IV 1992).

^{2/} 58 Fed. Reg. 19575, 19593-94 (April 15, 1993).

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hours of ethics training within six months of the date on which their registrations become effective. Based on your representations, however, the Division has determined to provide relief to those Foreign APs who first became registered under the Act between April 26 and October 26, 1993, by expanding the time within which such training must be obtained (from six months to as much as one year) as compared with other new registrants.

Subject to the condition that a Foreign AP attend an initial ethics training session of at least four hours in duration by no later than April 26, 1994, the Division will not recommend that the Commission take any enforcement action under Rule 3.34 against a Foreign AP who is registered after April 26, 1993 but on or before October 26, 1993, based solely upon the failure to comply with the timetable set forth in the rule for new registrants to attend the initial ethics training session. Similarly, the Division will not recommend that the Commission take enforcement action under Rule 166.3^{2/} against a futures commission merchant or introducing broker based solely upon their failure to assure that such Foreign APs comply with the requirements set forth in Rule 3.34 pertaining to the timeframe for attending an initial ethics training session.

This letter is based on the representations you have made to us, as stated above. Any different, changed or omitted facts or conditions might require us to reach a different conclusion. In this regard, we request that you notify us immediately in the event the circumstances material to your request as referred to herein change in any way from those represented to us.

If you have any questions regarding this letter, please contact me or Susan C. Ervin, the Division's Chief Counsel, at (202) 254-8955.

Very truly yours,

Andrea M. Corcoran
Director

^{2/} 17 C.F.R. § 166.3 (1993).