

CFTC Letter No. 97-55**June 23, 1997****Division of Trading & Markets**

Re: Request for Relief from the Recordkeeping Requirements of Rule 4.7(a)(2)(iv) with regard to Operation of an an Offshore Fund

Dear :

This is in response to your letter dated May 19, 1997 to the Division of Trading and Markets (Division) of the Commodity Futures Trading Commission (Commission), as supplemented by telephone conversations between A of your firm and Division staff. By your letter, you request on behalf of S , a registered commodity pool operator (CPO), an exemption from certain requirements of Commission Rule 4.23¹ with respect to S s responsibility to maintain the required books and records for (the Fund), an offshore commodity pool organized under the laws of Ireland.² Since S operates the Fund pursuant to Rule 4.7,³ we are treating your letter as a request for exemption from Rule 4.7(a)(2)(iv).

Based upon the representations made in your letter, as supplemented, we understand the relevant facts to be as follows. The Fund does not have any participants who are United States persons.⁴ The Fund is formed under the Irish Companies Acts (Acts) and is authorized by the Central Bank of Ireland as a designated investment company. The Acts require that the corporate books and records of each company formed in Ireland be kept at the company s registered office in Ireland, and Y requires that each fund formed in Ireland be administered in Ireland and maintain its records in Ireland. You represent that S will maintain copies of the Fund s books and records at its principal office in New York, New York.

Based upon the representations you have made to us, and consistent with out prior practice in this area, we believe your request has merit. Accordingly, pursuant to the authority delegated by Rule 140.93(a)(1), the Division exempts S from compliance with Rule 4.7(a)(2)(iv) to the extent that it requires S to keep the Fund s original books and records at its main business office. This exemption is, however, subject to the condition that, within seventy-two hours after a request by a duly qualified representative of the Commission, the National Futures Association or the Department of Justice, originals of the Fund s books and records will be made available to the representative at a place located in the

United States as specified by the representative.

The relief granted by this letter does not excuse S from compliance with any other applicable requirements contained in the Commodity Exchange Act (Act⁵) or the Commission s regulations issued thereunder. For example, it remains subject to the antifraud provisions of Section 4o⁶ of the Act, to the reporting requirements for traders set forth in Parts 15, 18, and 19 of the Commission s regulations, and to all other applicable provisions of Part 4, including Rule 4.7. Further, the relief granted by this letter is applicable to S solely in its capacity as the CPO of the Fund.

This letter is based upon the representations made to us and is subject to compliance with the condition stated above. Any different, changed, or omitted facts or circumstances might require us to reach a different conclusion. In this regard, we request that you notify us immediately in the event that the operations or activities of the Fund change in any way from those represented to us.

If you have any questions concerning this correspondence, please contact me or Monica S. Amparo, an attorney on my staff, at (202)418-5450.

Very truly yours,

Susan C. Ervin

Chief Counsel

¹Commission rules referred to herein are found at 17 C.F.R. Ch. I (1996).

² By letter dated June 13, 1996 the Division granted an exemption from Rule 4.7(a)(2)(iv) to S in connection with the operation of the following five funds, for each of which a Rule 4.7 claim has been filed: T , U , V , W and X .

³ Commission records indicate that S filed a Rule 4.7 Notice of Claim for Exemption with respect to the Fund on May 30, 1997.

⁴ For the purpose of this letter, the term United States Person has the definition employed in Rule 4.7(a).

⁵ 7 U.S. C. "times new roman" 1 et seq. (1994)

⁶ 7 U.S.C. "times new roman" 6o (1994).