



Commodity Futures Trading Commission

Office of Public Affairs

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Q & A – Conforming Amendments to Part 4 Regulations

What is the goal of the proposed rulemaking?

The proposal would ensure that Part 4 of the Commission’s regulations, which governs the operations and activities of commodity pool operators (CPOs) and commodity trading advisors (CTAs), conforms to changes made to the Commodity Exchange Act (CEAct) made by the Dodd-Frank Act.

Just what are these changes that the Dodd-Frank Act made to the CEAct regarding CPOs and CTAs?

The Dodd-Frank Act amended the CEAct by:

- Including within the definition of the term “commodity pool operator” persons operating collective investment vehicles that trade swaps;
- Including within the definition of the term “commodity trading advisor” persons who provide advice on swap transactions; and
- Adding a definition of the term “commodity pool” to the CEAct, and that new definition includes swap transactions.

Can you give some examples of what sorts of conforming amendments are being proposed?

The conforming amendments are intended to bring the Part 4 regulations in line with the new definition of the term “commodity pool” in the CEAct and the revised definitions of the terms “commodity pool operator” and “commodity trading advisor” – each of which refers to involvement with swaps activities and transactions. Accordingly, the Commission has proposed: (1) defining the term “commodity interest” in Part 4 to refer to, among other instruments, “swaps;” and (2) including within existing disclosure, reporting, recordkeeping and operational requirements references to swaps and swap dealers.

The Commission has proposed other rulemakings in response to the Dodd-Frank Act that could affect the Part 4 regulations – such as the “Proposed Amendments to CPO and CTA Compliance Obligations.” How does this proposed rulemaking relate to these other Dodd-Frank rulemakings?

This proposed rulemaking is more in the nature of technical, non-substantive amendments to Part 4. Nonetheless, to the extent there are discrepancies among the various proposed rulemakings affecting Part 4, the Commission intends to resolve any such discrepancy in the course of finalizing its rulemaking under the Dodd-Frank Act.