



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Eileen T. Flaherty  
Director

CFTC Letter No. 16-50  
Exemption  
March 31, 2016  
Division of Swap Dealer and Intermediary Oversight

### RE: “A”, the commodity pool operator for the “B”

Dear :

This letter is in response to your letter dated March 22, 2016, to the Division of Swap Dealer and Intermediary Oversight (“Division”) of the Commodity Futures Trading Commission (“Commission”). You request on behalf of “A”, the commodity pool operator (“CPO”) for the “B” (the “Pool”),<sup>1</sup> exemptive relief from Commission Regulation 4.7(b)(3), which requires that the CPO distribute to its participants, and file with the National Futures Association (“NFA”), an Annual Report within 90 days of the close of the Pool’s fiscal year. Instead, you propose to file a 13-month Annual Report for the Pool for the period covering November 10, 2015, the date the Pool began trading, through December 31, 2016.

Based upon the representations made in your letter, we understand the relevant facts to be as follows. The Pool is operated pursuant to an exemption under Commission Regulation 4.7. You are requesting an exemption from the requirement of filing an Annual Report for the Pool’s fiscal year ending December 31, 2015. Instead, you are seeking permission to file and distribute a 13-month Annual Report to the Pool’s participants with respect to the period beginning on November 10, 2015, and ending on December 31, 2016. You state that the Pool began trading on November 10, 2015. As of December 31, 2015, the Pool had a net asset value of \$, and just one investor, the general partner of the Pool, “C”, an entity wholly-owned by the CPO’s sole principal.

Commission Regulation 4.7(b)(3) requires each registered CPO to file an Annual Report with NFA and distribute copies to the pool participants within 90 calendar days of the end of the pool’s fiscal year or the permanent cessation of trading. The principal purpose of financial reporting required by Commission Regulation 4.7 is to ensure that pool participants receive

<sup>1</sup> You state that the Pool is the master fund of a master-feeder structure that also includes the “D” and the “E” (the “Feeder Funds”). You state that the Feeder Funds are currently inactive, having no investments and no participants. Therefore, the exemptive relief provided in this letter is limited to the Pool/master fund.

**RE: "A"**

Page 2

accurate, fair and timely information on the overall trading performance and financial condition of the pool. Based upon the representations made in your letter, the Division believes that granting the request of the CPO to file a 13-month Annual Report for the Pool covering November 10, 2015 to December 31, 2016 is neither contrary to the purposes of Commission Regulation 4.7 nor to the public interest. Accordingly, pursuant to the authority delegated by Commission Regulations 140.93 and 4.12(a), the Division will grant the CPO's request for relief from the Annual Report requirement of Regulation 4.7(b)(3), thereby permitting it to file a 13-month Annual Report for the Pool for the period from November 10, 2015 to December 31, 2016. Due to the current proprietary nature of the Pool, the Division will not require the CPO to distribute the Annual Report to its only participant in the Pool, the sole principal of its CPO.

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 letter void. Finally, the Division retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the relief provided herein, in its discretion.

If you have any questions regarding this letter, please contact Amanda Olear, Associate Director, at 202-418-5283 or [aolear@cftc.gov](mailto:aolear@cftc.gov), or Elizabeth Groover, Special Counsel, at 202-418-5985 or [egroover@cftc.gov](mailto:egroover@cftc.gov).

Very truly yours,

Eileen T. Flaherty  
Director  
Division of Swap Dealer and  
Intermediary Oversight