



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Eileen T. Flaherty  
Director

CFTC Letter No. 16-67  
Exemption  
July 20, 2016  
Division of Swap Dealer and Intermediary Oversight

**Re: Exemptive Relief Request Concerning Quarterly Account Statements Required by Commission Regulation 4.7(b)(2)**

Dear :

This is in response to your letter, dated May 18, 2016, to the Division of Swap Dealer and Intermediary Oversight (the "Division") of the Commodity Futures Trading Commission (the "Commission" or "CFTC"). You request that "A", the commodity pool operator (the "CPO") of five commodity pools, receive relief from the requirement in Commission regulation 4.7(b)(2) to distribute quarterly account statements to their participants within 30 days after the end of each quarter. Instead, you propose to provide the quarterly account statement information required under Commission regulation 4.7(b)(2) on a monthly basis within 45 days after the end of each month.

Based on your letter, the Division understands the relevant facts to be as follows. You state that "A" operates the following five commodity pools (collectively, the "Pools") pursuant to Commission regulation 4.7:

1. "B"
2. "C"
3. "D"
4. "E"
5. "F"

You state that each Pool is a "fund of funds," in that it invests all of its assets in other unaffiliated collective investment vehicles. You state that in order to provide accurate periodic account statements, "A" and its administrator must first receive the account statements from the underlying collective investment vehicles. You state that, historically, "A" and its administrator have not received many of these account statements until the last couple days of the month, or even later in some instances. You state that it generally takes several business days to produce account statements after receiving the underlying information, and, therefore, it has been very difficult to distribute quarterly account statements to participants within 30 days after the end of each quarter pursuant to Commission regulation 4.7(b)(2).

“A”

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As a result, you request that “A” receive relief from the requirement in Commission regulation 4.7(b)(2) that a CPO distribute to pool participants quarterly account statements within 30 days of the end of each quarter with respect to each Pool. Instead, you propose that “A” will: (1) distribute to all Pool participants within 45 calendar days after the end of each month an account statement that includes all of the information required to be included in a Commission regulation 4.7(b)(2) quarterly account statement and that is signed and affirmed in accordance with Commission regulation 4.22(h); and (2) inform current and prospective Pool participants that such account statements will be provided within 45 days after the end of the covered month. In support of your request, you also reference CFTC Staff Letter No. 16-54.<sup>1</sup>

In consideration of the foregoing, the Division concludes that your request is neither contrary to the purposes of Commission regulation 4.7(b)(2) nor the public interest. Therefore, pursuant to the authority under Commission regulation 4.12(a), as delegated to the Division under Commission regulation 140.93, the Division hereby grants the requested relief to “A” with respect to the operation of the Pools. This exemptive relief is conditioned upon the following:

1. “A” must distribute to all Pool participants within 45 calendar days after the end of each month an account statement that includes all of the information required to be included in a Commission regulation 4.7(b)(2) quarterly account statement and that is signed and affirmed in accordance with Commission regulation 4.22(h); and
2. “A” must inform current and prospective Pool participants such account statements will be provided within 45 calendar days after the end of the covered month.

The exemptive relief provided in this letter is applicable to “A” solely with respect to the Pools. Moreover, 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. The Division also retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the relief provided herein in its discretion.

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<sup>1</sup> CFTC Staff Letter No. 16-54 (April 28, 2016). This letter is available on the Commission’s website, [www.cftc.gov](http://www.cftc.gov).

“A”

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

Very truly yours,

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