U.S. COMMODITY FUTURES TRADING COMMISSION
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Division of
Market Oversight

Rahul Varma
Acting Director

Re: Extension of No-Action Positions with Respect to Certain Position Aggregation Requirements under Commission Regulation 150.4

This letter responds to a request received by the Division of Market Oversight ("**DMO**") of the Commodity Futures Trading Commission ("**Commission**") from the Futures Industry Association ("**FIA**"), the Asset Management Group of the Securities Industry and Financial Markets Association ("**SIFMA AMG**"), and the Managed Funds Association ("**MFA**") (collectively, the "**Associations**").[1] The Associations seek an extension of the no-action positions DMO first granted in CFTC Letter No. 17-37 ("CFTC Letter 17-37"),[2] and most recently extended in CFTC Letter No. 22-09 ("CFTC Letter 22-09"),[3] with respect to compliance with certain position aggregation requirements in Commission regulation 150.4.

I. Background

On December 16, 2016, the Commission published in the Federal Register a final rulemaking, "Aggregation of Positions," which amended Commission regulation 150.4 (the **"Aggregation Rule**").[4] The Aggregation Rule determines which accounts and positions a person must aggregate for the purpose of determining compliance with the applicable position limit levels set forth in Commission regulation 150.2, and includes a process by which a person may file with the Commission a notice seeking an exemption from such aggregation requirements (*i.e.*, a process by which a person may "disaggregate" its positions from those of another entity with which the person has certain ownership or control relationships). The Aggregation Rule became effective on February 14, 2017.

[1] Letter from the Associations to Rahul Varma, Acting Director DMO, dated June 16, 2025 (the "**Associations' Request**").
[2] CFTC Letter No. 17-37 (Aug. 10, 2017), available at: https://www.cftc.gov/node/214721.
[3] CFTC Letter No. 22-09 (Aug. 10, 2022), available at: https://www.cftc.gov/node/241721.
[4] Aggregation of Positions, 81 FR 91454 (Dec. 16, 2016).

On February 6, 2017, DMO issued CFTC Letter No. 17-06 ("CFTC Letter 17-06"),[5] which provided time-limited no-action positions with respect to all the notice filing requirements in Commission regulation 150.4(c), for any person or entity eligible to rely on an exemption from aggregation under Commission regulation 150.4(b). The no-action positions in CFTC Letter 17-06 expired on August 14, 2017.

On August 10, 2017, DMO issued CFTC Letter 17-37, which provided continued no-action positions with respect to certain of the notice filing requirements in Commission regulation 150.4(c), including by allowing notice filings to be submitted only upon request and by limiting the nature of the information included in such notice filings, as well as a no-action position from additional position aggregation requirements in Commission regulation 150.4. The no-action positions in CFTC Letter 17-37 expired on August 12, 2019.

On July 31, 2019, DMO issued CFTC Letter No. 19-19 ("CFTC Letter 19-19"),[6] which extended the no-action positions provided in CFTC Letter 17-37 for an additional three years, until August 12, 2022.

On January 14, 2021, the Commission published in the Federal Register a final rule regarding the Commission's position limits framework by amending part 150 of the Commission's regulations (the "**Position Limits Final Rule**").[7] Among other changes, the Position Limits Final Rule: (1) increased the number of commodities subject to federal position limits from nine to twenty-five commodities; (2) expanded the list of bona fide hedge exemptions; (3) eliminated the risk management exemption; (4) included a new pass-through swap provision; (5) subjected financially-settled "look-alike" futures contracts to federal position limits; (6) subjected swaps that are economically equivalent to a particular referenced contract to federal position limits; (7) revised certain requirements and guidance applicable to designated contract markets ("**DCMs**") and swap execution facilities; and (8) expanded the scope of international affiliates that could be subject to the Aggregation Rule by counting positions in referenced contracts on foreign boards of trade toward position limits levels. For the changes identified in items (3) and (6), the Position Limits Final Rule provided an extended compliance date to January 1, 2023, while the other provisions had a compliance date of January 1, 2022.

Following the promulgation of the Position Limits Final Rule, at the request of the Associations, on August 10, 2022, DMO issued CFTC Letter 22-09, which extended the no-action positions provided in CFTC Letter 19-19 for an additional three years, until the earlier of August 12, 2025 or the effective date of a rulemaking codifying the no-action positions described therein.

[5] CFTC Letter No. 17-06 (Feb. 6, 2017), available at: https://www.cftc.gov/node/214566.
[6] CFTC Letter No. 19-19 (Jul. 31, 2019), available at: https://www.cftc.gov/node/218656.
[7] Position Limits for Derivatives, 86 FR 3236 (Jan. 14, 2021).

II. Summary of No-Action Positions Provided in the CFTC Letters[8]

The no-action positions set forth in CFTC Letter 17-37, and most recently extended in CFTC Letter 22-09, provide that DMO will not recommend that the Commission commence an enforcement action against any person for violating any position aggregation requirement in Commission regulation 150.4, or any applicable position limits, where the person:

(1) Otherwise would be in compliance with the applicable position limits in Commission regulation 150.2 and position aggregation requirements under Commission regulation 150.4(b) but for the fact that the person does not submit a notice pursuant to Commission regulation 150.4(c)(6) that it is relying on an exemption from position aggregation requirements, unless the person fails to file such a notice within five business days after receiving a request from the Commission, Commission staff,[9] a DCM, or DCM staff,[10] to file such a notice;

(2) Otherwise would be in compliance with the applicable position limits in Commission regulation 150.2 and position aggregation requirements under Commission regulations 150.4(b) and 150.4(c) but for the fact that in its notice filing, the person addresses the circumstances warranting disaggregation only for the particular account or position identified by the Commission or a DCM in the request;[11]

(3) Otherwise would be in compliance with the applicable position limits in Commission regulation 150.2 and position aggregation requirements under Commission regulation 150.4(b)(2) but for the fact that the person complies with Commission regulation 150.4(b)(2)(i)(A) only in connection with derivatives trading;

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[8] *See* CFTC Letter 17-37 for a complete description of the no-action positions provided therein, and extended in CFTC Letter 19-19 and CFTC Letter 22-09 (collectively, the **"CFTC Letters")**.

[9] Under the no-action positions provided in the CFTC Letters, Commission staff has the discretion, where staff deems it warranted, to extend the five-business day period for submitting a disaggregation notice in response to a request from the Commission.

[10] DMO's understanding is that several DCMs apply the same policy with respect to notice filings contained in the no-action positions provided in the CFTC Letters and require submission of disaggregation notice filings only after receipt of a request for such a filing by the DCM. Moreover, certain DCM rules currently provide for comparable disaggregation notice provisions to the positions addressed in the CFTC Letters and give the DCM discretion to extend the deadline for submitting a disaggregation notice required by these rules. DMO observes that the Commission's regulations do not inhibit the discretion that a DCM may have with respect to the processing of applications for exemptions from the aggregation requirements.

[11] For example, if a person is relying upon the owned entity exemption in Commission regulation 150.4(b)(2), and the Commission or a DCM asks whether the participant is eligible to disaggregate the owner's positions from those of a particular owned entity, under the CFTC Letters, the notice filing must address the circumstances warranting disaggregation for that particular owned entity, but not for all accounts and positions that the owner is eligible to disaggregate. The no-action positions provided in the CFTC Letters do not in any way circumscribe the number and range of owned entities about which the Commission or a DCM can ask an owner to file a Commission regulation 150.4(c) notice.

(4) Otherwise would be in compliance with the applicable position limits in Commission regulation 150.2 and position aggregation requirements under Commission regulations 150.4(b)(2) and 150.4(c) but for the fact that in its notice filing seeking an owned entity aggregation exemption under Commission regulation 150.4(b)(2), the person's certification:

(a) in regards to controlling the owned entity or having routine access to relevant information about the owned entity addresses only derivatives trading;

(b) provides that it does not control derivatives trading of the owned entity nor have routine access to derivatives trading information about the owned entity with no mention of whether it is able to do so; or

(c) only addresses the owner, and not the owned entity, in circumstances where the owner is not aware, and should not be aware, of the derivatives trading activity of the owned entity;

(5) Otherwise would be in compliance with the independent account controller exemption in Commission regulation 150.4(b)(4) but for the fact that the person is not eligible to rely on that exemption because either: (a) the person or the person's independent account controller does not meet the definition of an "eligible entity" or an "independent account controller" because it is a commodity trading advisor that is not registered as such by virtue of meeting the criteria for an exemption from registration; or (b) the person has authorized an independent account controller to act in a fiduciary capacity by independently controlling the trading in the person's positions and accounts, but the person does not fall within the categories of "eligible entity" set out in Commission regulation 150.1;[12] or

(6) Does not aggregate its positions with those of another person pursuant to the "substantially identical trading strategies" requirement in Commission regulation 150.4(a)(2), unless that person holds or controls the trading of positions in more than one account or pool with substantially identical trading strategies in order to willfully circumvent applicable position limits.

III. Extension of No-Action Positions

By letter dated June 16, 2025, the Associations requested an additional extension of the no-

[12] The independent account controller exemption in Commission regulation 150.4(b)(4) requires an eligible entity, rather than an independent account controller, to make a notice filing. However, if the Commission nonetheless requests a filing from an independent account controller in connection with the independent account controller exemption, then the independent account controller need only identify the relevant eligible entity or entities, and the eligible entity shall have five business days to make such notice filing after the date it receives a request from the Commission, or a DCM, to submit such filing.

action positions originally provided in CFTC Letter 17-37. The Associations' Request states that the no-action positions "enable[] market participants to qualify for commercially practical exemptions from the requirement to aggregate certain positions and, at the same time, preserve[] the ability of the Commission to monitor compliance with the eligibility criteria for those exemptions as well as conduct market surveillance."[13] The Associations' Request supports codification of the no-action positions and seeks an extension of the no-action positions "until the later of the applicable effective date or compliance date of a rulemaking approved by the Commission addressing the aggregation and notice filing obligations" covered by the no-action positions.[14]

Based on the foregoing and the representations in the Associations' Request, DMO has determined that a further extension of the no-action positions originally provided in CFTC Letter 17-37 is warranted. These no-action positions will remain in effect until the later of the applicable effective date or compliance date of a rulemaking approved by the Commission addressing the aggregation and notice filing obligations described in CFTC Letter 17-37.

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This letter, and the positions taken herein, represent the views of DMO only, and do not necessarily represent the positions or views of the Commission or of any other division or office of the Commission. This letter and the no-action positions taken herein are not binding on the Commission or other Commission staff. The positions provided in this letter do not excuse persons relying on it from compliance with any other applicable requirements contained in the Commodity Exchange Act, Commission regulations, or any other applicable laws (*i.e.*, securities laws). Further, this letter, and the positions taken herein, are based upon the facts and circumstances presented to DMO staff. Any different, changed, or omitted material facts or circumstances may render this letter void. Finally, as with all no-action letters, DMO retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the positions herein, in its discretion.

If you have any questions regarding this correspondence, please contact Andrew Stein, Division of Market Oversight, at astein@cftc.gov, or Julia Wood, Division of Market Oversight, at jlwood@cftc.gov.

Sincerely,

Rahul Varma
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Division of Market Oversight

[13] Associations' Request at 1.
[14] *Id*. at 2.