



Commodity Futures Trading Commission

Office of Public Affairs

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Harmonization of Compliance Obligations for Registered Investment Companies Required to Register as Commodity Pool Operators

The Commodity Futures Trading Commission (“Commission” or “CFTC”) is proposing to amend the reporting requirements applicable to certain investment companies registered under the Investment Company Act of 1940, whose advisors would be required to register with the Commission as commodity pool operators (CPOs) pursuant to changes adopted by the Commission to § 4.5.

Background

The Commission proposed in February 2011, and recently adopted as final rules, revisions to the requirements for determining which persons should be required to register as CPOs under § 4.5. The Commission is adopting the proposed changes to § 4.5, with some minor modifications, and is proposing certain provisions to facilitate compliance by registered investment companies with the Commission’s disclosure, reporting, and recordkeeping requirements. The proposed amendments to promote harmonization are based on the consideration of comments that were submitted on the previously proposed amendments to § 4.5, information provided during a staff roundtable on July 16, 2011 (“Roundtable”), and meetings with interested parties.

Rationale

The Commission received a number of comments regarding the changes to § 4.5. Specifically, commenters suggested that sponsors of investment companies registered with the Securities and Exchange Commission (“SEC”), which would also be required to register as CPOs under § 4.5, may be subject to duplicative, inconsistent, and possibly conflicting, disclosure and reporting requirements. This proposed rulemaking attempts to harmonize Commission and SEC requirements to minimize the compliance burden on these registrants.

Changes to Compliance Obligations

The Commission is proposing to amend § 4.12(c) such that the CPO of any pool whose units of participation will be offered and sold pursuant to an effective registration statement under the Securities Act of 1933 may claim the relief from the delivery and acknowledgement requirements under § 4.21, certain periodic financial reporting obligations under § 4.22, and the requirement that records be maintained at the CPO’s main office under § 4.23 with respect to that pool.