



Commodity Futures Trading Commission

Office of Public Affairs

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Final Rule on Amendments to Compliance Obligations of Commodity Pool Operators and Commodity Trading Advisors

The Commodity Futures Trading Commission (“Commission” or “CFTC”) is adopting as final a rule that amends compliance obligations of CPOs and CTAs. This rule includes a requirement for CPOs and CTAs that are registered solely with the CFTC to file reports similar to those imposed by the Commission and the Securities and Exchange Commission (“SEC”) on previously adopted Form PF, as well as several other registration and compliance modifications.

§ 4.27 Reporting Requirements

The rule will require CPOs and CTAs to file reports regarding their direction of commodity pool assets. Reports must include a description of certain information, such as the amount of assets under management, use of leverage, counterparty credit risk exposure, and trading and investment positions for each pool.

Compliance Dates

The new CPO and CTA reporting requirements under § 4.27 will become effective on July 2, 2012. The compliance dates for this reporting is as follows:

- 60 days after the end of CPOs first calendar quarter ending after July 2, 2012 for CPOs having at least \$5 billion in assets under management;
- 60 days after the end of CPOs first calendar quarter ending after December 14, 2012 for all other Large CPOs with assets of \$1.5 billion; and
- 90 days after calendar year end 2012 for all other CPOs and CTAs

Other Changes to CPO and CTA Compliance Obligations

The Commission believes that it is necessary to rescind or modify several of its exemptions and exclusions to more effectively oversee its market participants and manage the risks that such participants pose to the markets. Specifically, the Commission will:

- Reinstate trading criteria for registered investments companies claiming exclusion from the CPO definition under § 4.5 and add an alternative trading threshold based on net notional value of commodity interest positions;
- Rescind the exemption from CPO registration under § 4.13(a)(4);
- Revise § 4.7 so that CPOs may no longer claim exemption from the requirement that an exempt pool’s annual report contain certified financial statements;
- Modify the participant qualification criteria of § 4.7 to incorporate the SEC’s accredited investor standard by reference rather than by direct inclusion of its terms;
- Require all persons claiming exemptive or exclusionary relief under § 4.5, 4.13, and 4.14 to confirm their notice of claim of exemption or exclusion on an annual basis; and
- Amend the risk disclosure statement that must be included in CPO and CTA disclosure documents to describe certain risks specific to swaps transactions.