



# Commodity Futures Trading Commission

## Office of Public Affairs

Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581  
[www.cftc.gov](http://www.cftc.gov)

## Final Rulemaking Q & A – Harmonization of Compliance Obligations for Registered Investment Companies Required to Register as Commodity Pool Operators

### 1. What is the goal of the final rulemaking?

The Commodity Futures Trading Commission (“Commission” or “CFTC”) is adopting final regulations with respect to certain compliance obligations for commodity pool operators (“CPOs”) of investment companies registered under the Investment Company Act of 1940 (“registered investment companies” or “RICs”) that are required to register due to the recent amendments to § 4.5. The goal of this rulemaking (“Harmonization Rule”) is to harmonize to the fullest extent practicable the disclosure, reporting, and recordkeeping regimes of the Commission and the Securities and Exchange Commission (“SEC”) for these dually registered entities while achieving the regulatory objectives of part 4 of the Commission’s regulations.

### 2. What is the policy rationale for the Harmonization Rule?

A number of comments were received by the Commission regarding the proposed Harmonizational Rule. These comments suggested that the Commission should avoid imposing duplicative, inconsistent, and possibly conflicting disclosure and reporting requirements on advisors of RICs who would be required to register as CPOs under amended § 4.5.

### 3. Who will be affected by the Harmonization Rule?

The Harmonization Rule will affect those investment companies that are registered under the Investment Company Act of 1940, with units of participation offered and sold pursuant to an effective registration statement under the Securities Act of 1933, and whose advisors would be subject to registration with the Commission as a CPO due to changes to § 4.5. Additionally, certain part 4 requirements are being amended for all CPOs and Commodity Trading Advisors (“CTAs”).

### 4. What will change for those affected?

This Harmonization Rule effectively adopts a substituted compliance regime for CPOs of RICs premised upon such entities’ adherence to the compliance obligations under the SEC statutory and regulatory compliance regime, whereby the Commission will accept compliance by such entities with the disclosure, reporting, and recordkeeping regime administered by the SEC (“SEC RIC Rules”) as substituted compliance with substantially all of part 4 of the Commission’s regulations.

The final rule addresses, among other things, the following areas:

- Under amended 4.12(c), operators of RICs will be deemed to be in compliance with §§ 4.21, 4.22(a) and (b), 4.24, 4.25, and 4.26 if they satisfy all applicable SEC RIC Rules as well as certain other conditions;

- All CPOs will be permitted to use third-party service providers to maintain their books and records;
- The signed acknowledgement requirement is being rescinded for all CPOs; and
- CPOs and CTAs will be required to update their disclosure documents under §§ 4.26 and 4.36 on a 12-month basis instead of a 9-month basis.