



CFTC Approves No-Action Relief from Registration as a CPO or CTA for Certain RIAs

Exemptive Relief: The CFTC, in response to a request from the Managed Funds Association ("MFA"), have approved interim no-action relief from having to register with the CFTC as a Commodity Pool Operator ("CPO") and Commodity Trading Advisor ("CTAs"), provided the following conditions are met:

- The relief is limited to managers who:
 - Are registered with the SEC as Registered Investment Advisers ("RIAs").
 - The pool (fund) interests are offered solely in non-public offerings under the Securities Act.
 - The pool (fund) interests are only available to Qualified Eligible Persons ("QEPs").
- The no-action relief is subject to conditions, including:
 - Filing Form PF with the SEC.
 - Reasonable belief that all pool participants are QEPs at the time of investment.
 - Notice of reliance on the no-action position must be filed via email with the CFTC.

The CFTC also confirmed that CPOs deregistering solely due to this no-action position are not subject to mandatory redemption offer requirements under Rule 4.13(e).

Accordingly, until such time as the CFTC promulgates rules, or publicly determines not to promulgate rules, addressing the reinstatement of the QEP Exemption (4.13(a)(4)), CFTC will not recommend commencing enforcement action against any person that (A) fails to register with the Commission as a CPO, or (B) withdraws from registration with the CFTC as a CPO, subject to the above conditions.

This is a welcome relief to investment firms that are required to comply with SEC and CFTC requirements, significantly reducing their regulatory burdens. If you would like to discuss this further and how this may impact your firm, please contact Greg Worsfold, Anthony Visone or your usual Optima contact.



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