

**CFTC PROVIDES TEMPORARY REGISTRATION RELIEF
FOR FUND OF FUND MANAGERS**

The Commodity Futures Trading Commission has issued temporary registration relief to operators of funds of funds.¹ Subject to certain conditions, operators of funds of funds will not have to register as CPOs, if at all, until the later of (i) June 30, 2013, or (ii) six months from the date the CFTC issues revised guidance on the application of the *de minimis* thresholds in Rules 4.5 and 4.13(a)(3) to operators of funds of funds.²

Determining Eligibility for this Relief

A CPO is generally eligible for this extension if the CPO is in compliance with the following criteria:

- The CPO currently structures its operations in whole or in part as a CPO of one or more funds of funds (each, a “FOF”). A FOF is defined as a vehicle that holds an interest in a vehicle operated by a third party;
- The amount of commodity interest positions (including swaps) to which the FOF is directly exposed does not exceed the trading thresholds specified in CFTC Rule 4.5 or 4.13(a)(3), as applicable;
- The CPO does not know and could not have reasonably known that the FOF’s indirect exposure to commodity interests derived from contributions to investee funds exceed the trading thresholds specified in CFTC Rule 4.5 or 4.13(a)(3), as applicable, either calculated directly, or through the use of prior Appendix A; and
- The FOF for which the CPO seeks relief is either (i) an investment company registered under the Investment Company Act of 1940 or (ii) compliant with the other eligibility criteria set forth in CFTC Rule 4.13(a)(3).

The Relief is Not Self-Executing

An eligible CPO must file a claim³ on or prior to December 31, 2012 in order to perfect the relief. A claim submitted by a CPO will be effective upon filing as long as the claim is materially complete.

¹ CFTC Letter No. 12-38 (Nov. 29, 2012).

² If a CPO can rely on the CFTC’s revised fund of funds guidance, then such CPO may not have to register at all. Prior fund of funds guidance was included in Appendix A (“Appendix A”) to Part 4 of the Commission’s Regulations and was replaced by Form CPO-PQR in “Commodity Pool Operators and Commodity Trading Advisors: Amendments to Compliance Obligations,” 77 FR 11252 (Feb. 24, 2012).

³ The claim must include the name, main business address, and business telephone number of the CPO, as well as the capacity of the claimant (i.e., CPO) and the name of the pool(s).

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