CLIENT MEMORANDUM

CFTC Eliminates CTA-PR Filing Requirement For Certain CTAs

Action May Be Required

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AUTHORS

Rita M. Molesworth | Deborah A. Tuchman | James E. Lippert | Ross S. Weinstein

Commodity Futures Trading Commission staff recently issued reporting relief for commodity trading advisors that do not have discretion over client accounts.[1] CFTC rules generally require a registered CTA to file a Form CTA-PR on an annual basis. CFTC Letter 15-47 exempts registered CTAs from that requirement, provided the CTA does not "direct" trading for any client's commodity interest account.

Under CFTC rules, a CTA directs a client account where the CTA is "authorized to cause transactions to be effected . . . without the client's specific authorization." Effective immediately, CTAs that do not have such authority are no longer required to file the annual Form CTA-PR. The CFTC relief is self-executing.

[1] CFTC Exemption Letter No. 15-47 (July 21, 2015). This relief follows similar relief provided last year by the Division of Swap Dealer and Intermediary Oversight with respect to commodity pool operators that, with respect to each pool they operate, are either excluded from the definition of CPO or exempt from registration as a CPO. For more information on the relief provided to such CPOs, please see our client memorandum entitled "CPO Alert: CFTC Staff Issues JOBS Act, Reporting and Recordkeeping Relief," dated September 19, 2014.

National Futures Association requires CTA member firms to file the Form CTA-PR as of the end of each quarter. Last week, NFA issued companion relief with respect to the quarterly reporting requirement for CTAs that do not direct client accounts. While the CFTC relief is self-executing, NFA's relief is not. Any CTA that wishes to avoid calls to file a quarterly Form CTA-PR must inform NFA by answering a new question on the CTA's Annual Questionnaire no later than August 13, 2015.

If you have any questions regarding this memorandum, please contact Rita M. Molesworth (212 728 8727, rmolesworth@willkie.com), Deborah A. Tuchman (212 728 8491, dtuchman@willkie.com), James E. Lippert (212 728 8945, jlippert@willkie.com), Ross S. Weinstein (212 728 8932, rweinstein@willkie.com), or the Willkie attorney with whom you regularly work.

Willkie Farr & Gallagher LLP is headquartered at 787 Seventh Avenue, New York, NY 10019-6099. Our telephone number is (212) 728-8000 and our facsimile number is (212) 728-8111. Our website is located at www.willkie.com.

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