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VIA [HTTPS://WWW.REGULATIONS.GOV](https://www.regulations.gov)

Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street NW
Washington, DC 20581

Re: Commodity Pool Operators and Commodity Trading Advisors: Reduction of Duplicative Regulation Through Intermediary Registration Exemptions; Expansion of the Exemption for Small Commodity Pools (RIN 3038-AF78)

Dear Mr. Kirkpatrick:

Dechert LLP (Dechert) appreciates the opportunity to comment on the Commodity Futures Trading Commission's (CFTC or Commission) proposals to promulgate a commodity pool operator (CPO) registration exemption for CPOs offering private commodity pools to highly sophisticated investors without any limit on the amount of commodity interest trading in such pools, and a related commodity trading advisor (CTA) registration exemption for CTAs advising pools operated under this exemption.¹

We believe that Dechert is well situated to offer comments on the Proposal. Dechert is a global law firm with several hundred financial services attorneys practicing in more than 20 offices across the United States, Europe, Asia and the Middle East. Our clients include, among others, a wide variety of registered and unregistered investment companies (including mutual funds, closed-end funds and business development companies), private funds, investment advisers, broker-dealers and institutional investors (including so-called

¹ Commodity Pool Operators and Commodity Trading Advisors: Reduction of Duplicative Regulation Through Intermediary Registration Exemptions; Expansion of the Exemption for Small Commodity Pools, 91 Fed. Reg. 54264 (Aug. 21, 2026) (Proposal). This letter will on occasion refer to these pools as "private funds" for ease of reference.

Dechert does not have comments on the CFTC proposal to increase the limitation on capital contributions for pools operated under CFTC Regulation 4.13(a)(2).

exempt reporting advisers and private fund advisers). An extensive part of our services for these clients involves assistance with the federal securities laws in the organization, distribution and operation of investment funds. Our funds team spans all five principal European fund centers—London, Luxembourg, Dublin, Frankfurt/Munich and Paris.

Dechert has represented a significant proportion of the U.S. asset management industry in connection with the CFTC’s regulation of investment managers as CFTC-registered and exempt CPOs and CTAs. Dechert has an extensive U.S. and non-U.S. commodity market buy-side practice through which we advise private funds, Undertakings for Collective Investments in Transferable Securities (UCITS), European Alternative Investment Funds, U.S. pension plans, insurance companies, investment advisers, broker-dealers and institutional investors, in many jurisdictions, with respect to matters involving both Securities and Exchange Commission (SEC) and CFTC registration, exemptions and ongoing compliance matters. In the commodity interest markets, these matters also include rules of self-regulatory organizations, such as futures exchanges, swap execution facilities and the U.S. National Futures Association (NFA). We regularly advise buy-side swap market participants on the cross-border application of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) and regulations thereunder, as well as European Market Infrastructure Regulation. We also assist clients with navigating the layers of U.S. and non-U.S. laws and regulations applicable to their businesses. Over the last decade and a half, Dechert has actively engaged with the CFTC and its staff (CFTC Staff) on numerous rulemakings related to its regulations affecting buy-side intermediaries and on industry-wide and individual client requests for no-action and exemptive relief where the CFTC’s regulations have not quite fit legitimate CPO and CTA operations. Our comments reflect our own views and not necessarily those of our clients.

In addition to the Proposal, Dechert looks forward to the CFTC’s expected rulemaking under CFTC Regulation 4.5 regarding similar requirements as they apply to registered investment advisers (RIAs) operating investment companies registered under the Investment Company Act of 1940 (1940 Act) and business development companies regulated under the 1940 Act (BDCs).²

² A copy of this agenda dated July 7, 2026, is available online and titled “Commodity Pool Operator Exemptions for Mutual Funds” in the agenda.

Introduction and Executive Summary

Dechert appreciates the CFTC Staff's efforts to put in place registration no-action relief for qualifying CPOs in December 2025 and that the Proposal is largely a codification of that relief with certain constructive changes.³ Dechert also appreciates the opportunity through the notice and comment process to apprise the CFTC of certain issues that have emerged with respect to reliance on Letter 25-50 that go beyond implementation issues that have arisen with the NFA that the CFTC cites in the Proposal, improvements that can be made to the Proposal and amendments that should be made to other CFTC regulations besides CFTC Regulations 4.13 and 4.14 in order to make the Proposal workable and useful to the asset management industry. If the Proposal is not modified to contemplate these issues, it will create situations where market intermediaries could need further CFTC Staff no-action, interpretive and exemptive relief to carry on legitimate operations for which there was not enough time or attention to contemplate in the process to draft Letter 25-50.⁴

To assist with this endeavor, our letter addresses:

- (i) Issues with the portion of the Proposal that addresses CFTC Regulation 4.13 for which we suggest modifications to the Proposal;
- (ii) Amendments to other CFTC regulations beyond CFTC Regulation 4.13 that would facilitate the Proposal being useful and workable for CPOs intending to operate pools under CFTC Regulation 4.13(a)(4) that arise mainly from

³ CFTC No-Action Letter No. 25-50 (Dec. 19, 2025) (Letter 25-50).

⁴ For example, we note that the CFTC Part 4 rule changes in 2012 spawned a large need for industry-wide no-action relief and interpretive relief. *See e.g.*, CFTC No-Action Letter No. 12-40 (treating BDCs similarly as registered investment companies under CFTC Rule 4.5); CFTC No-Action Letter No. 12-38 (providing relief for CPOs operating fund-of-funds after previous Appendix A to the CFTC Part 4 rules was replaced by the text of CFTC Form CPO-PQR); CFTC No-Action Letter 13-51 (permitting registered investment companies to consolidate the financials of their controlled foreign corporations for reporting purposes); CFTC Interpretive Letter No. 12-13 (determining that certain vehicles organized as equity real estate investment trusts are not commodity pools); CFTC No-Action Letter No. 12-44 (providing CPO registration relief for operators of certain vehicles organized as mortgage real estate investment trusts); CFTC Interpretive Letter No. 12-14 (providing an exclusion from the regulation of certain securitization vehicles as commodity pools); CFTC No-Action Letter No. 12-45 (providing CPO registration relief for operators of certain other types of securitization vehicles), among other relief.

cross-references in the CFTC's other regulations and the incremental change in CFTC and SEC regulations that has occurred since 2003; and

- (iii) Issues related to the portion of the Proposal that addresses the CTA registration exemption under CFTC Regulation 4.14.

I. Issues with and Action for the CFTC to Take Regarding CFTC Regulation 4.13

Dechert would be remiss if it did not comment that a very similar investor and market protection outcome could be achieved without requiring a CPO to be an RIA in order to qualify for the CFTC Regulation 4.13(a)(4) exemption. Dechert highlights that the version of the CPO registration exemption that was in effect between 2003 and 2012 did not require that the CPO be an RIA, and that there was no specific event involving a private fund or general market event involving private funds that prompted the rescission of the exemption. By limiting the availability of the CFTC Regulation 4.13(a)(4) CPO registration exemption to RIAs, the CFTC may create a situation where it retains its full registration jurisdiction over mostly exempt reporting advisers, foreign private advisers and relying advisers, many of which are located outside of the United States and have some, but limited numbers of U.S. person investors. Throughout its history, the CFTC has sensibly rationed its resources by limiting the extraterritorial reach of its regulations and recognizing substituted compliance with local laws and regulations. Dechert queries whether the CFTC maintaining its full CPO registration jurisdiction over these market intermediaries is truly the “minimum effective dose” of regulation.

A. Confirm the Eligibility of “Relying Advisers” and Special Purpose Vehicles as CPOs Eligible for CFTC Regulation 4.13(a)(4)

The CFTC should confirm in the rule text or preamble that (i) relying advisers and (ii) special purpose vehicles (SPVs) established by an investment adviser to act as the general partner or managing member of a private fund each qualify as eligible CPOs under CFTC Regulation 4.13(a)(4). In December 2005, the staff of the SEC (SEC Staff) confirmed in a no-action letter addressed to the American Bar Association, Business Law Section (ABA) that it would not recommend enforcement action if an SPV did not separately register as an investment adviser, provided that the registered investment adviser would subject the SPV, its employees and persons acting on its behalf to the adviser's

supervision and control.⁵ In January 2012, the SEC Staff reiterated this position, and extended the concept to “relying advisers” in a second no-action letter addressed to the ABA.⁶ In that no-action letter, the SEC Staff stated that it would not recommend enforcement action where a single Form ADV is filed by an RIA (filing adviser) on behalf of itself and one or more affiliated advisers under common control (the relying advisers), subject to certain conditions, including that each relying adviser, its employees and the persons acting on its behalf are subject to the filing adviser’s supervision and control. In these circumstances, similar to the treatment of SPVs, the SEC Staff has taken the view that the filing adviser and its relying advisers may register through a single Form ADV because they collectively conduct a single integrated advisory business. In 2016, the SEC adopted amendments to Part 1A of Form ADV to formalize this approach and facilitate uniform filing requirements for filing advisers and relying advisers.⁷

Although SPVs and relying advisers do not separately register with the SEC, the SEC Staff has explained that “each relying adviser is an investment adviser registered with the [SEC] and, as such, is required to comply with all of the provisions of the Advisers Act and the rules thereunder that apply to registered advisers.”⁸ This concept is equally true for SPVs as it is for relying advisers. Given this guidance, we encourage the CFTC to clarify that the relief under proposed CFTC Regulation 4.13(a)(4) extends to SPVs and relying advisers by expressly confirming that a relying adviser or SPV that meets relevant conditions of the 2005 ABA Letter and 2012 ABA Letter is a “person is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940” for purposes of proposed CFTC Regulation 4.13(a)(4).

⁵ American Bar Association Subcommittee on Private Investment Entities, SEC Staff Letter (Dec. 8, 2005) (2005 ABA Letter).

⁶ American Bar Association Subcommittee on Private Investment Entities, SEC Staff Letter (Jan. 18, 2012) (2012 ABA Letter).

⁷ “Form ADV and Investment Advisers Act Rules”, Advisers Act Rel. No. IA-4509 (Aug. 25, 2016).

⁸ 2012 ABA Letter at n. 10.

B. Confirm the Qualification of Co-CPOs as CPOs Eligible for CFTC Regulation 4.13(a)(4)

Dechert proposes that the CFTC provide certainty that only one (1) CPO in a co-CPO relationship must be an RIA or relying adviser in the event that the pool has multiple affiliated co-CPOs. For a myriad number of reasons, pools may have more than one CPO. The NFA exemptions systems allows multiple CPOs to operate a pool as co-CPOs. A group of affiliated entities may have differing SEC registration and exempt status for business and regulatory reasons. So long as at least one of those CPOs is an RIA or relying adviser, investors in the CFTC Regulation 4.13(a)(4) pool will receive the intended investor protections that investing with such an entity confers, and the pools will be reported on Form PF, if required by Form PF and/or related securities regulations. The fact that other co-CPOs are not RIAs or relying advisers will not make a substantive difference. For these reasons, the CFTC should provide clarity that only one CPO in a co-CPO relationship needs to be an RIA or relying adviser in order for the pool to be operated under CFTC Regulation 4.13(a)(4).

C. Rescind the Participant Right of Redemption

Dechert proposes that the CFTC rescind the right of redemption from CFTC Regulation 4.13(b)(2) and (e)(2), or short of that, make it inapplicable to pools operated under CFTC Regulation 4.13(a)(3) and (a)(4).⁹ Absent these regulatory changes, Dechert supports delaying the effectiveness of the right of redemption for CPOs transitioning from operating in a registered CPO capacity to CFTC Regulation 4.13(a)(4) to the later of one year after the Proposal compliance date, or the effectiveness of the forthcoming Form PF amendments.¹⁰ In instances Dechert has observed over the last 20+ years (both pre-and post CFTC Part 4 2012 regulation changes), the requirement to provide a right of redemption has completely stopped registered CPOs' move to operation under a CFTC Regulation 4.13 exemption from a registered CPO capacity in any fund with more than one investor. It is a commercial non-starter. Requiring CPOs to give participants a right of redemption with no amendment to this requirement or delay in its application would

⁹ The right of redemption would remain applicable to pools operated under other subsections of CFTC Regulation 4.13.

¹⁰ See Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers; Further Extension of Compliance Date, 91 Fed. Reg. 56593 (Sept. 3, 2026).

completely undercut the CFTC's Proposal, putting the CPO exemption out of reasonable, practical reach.

Dechert would argue for the right of redemption to be fully-rescinded as it may apply to CPOs transitioning from a registered CPO capacity to CFTC Regulation 4.13(a)(3) and/or (a)(4) capacity. Investors in both of these types of pools are often highly sophisticated and/or institutional investors with robust due diligence processes and many more considerations for investing with an adviser than just its registered CPO status.¹¹

Rescinding the right of redemption would recognize that private funds are more complex in their holdings and investment activities today than 20+ years ago when a commodity pool could be expected to be invested mostly in exchange-traded futures or options on futures which are highly liquid and can be terminated immediately to provide redemption proceeds. Even if one puts to one side the consideration of private funds' non-commodity interest holdings' illiquidity, private funds may be operated today by registered CPOs because of the level of swaps the funds trade. The classification of swaps as commodity interests was a development resulting from the Dodd-Frank Act, and a significant change since 2003 regarding what private funds are commodity pools. Swaps tend not to have the same level of liquidity as exchange-traded futures and options on futures, so a private fund that is not invested in anything besides commodity interests and instruments held for margin may still be more illiquid than a private fund operated under CFTC Regulation 4.13 prior to the Dodd-Frank Act.

Requiring a CPO to offer a right of redemption to participants can also negatively affect the remaining participants in a private fund and the markets in general if the CPO must liquidate commodity interest positions and other potentially illiquid holdings rapidly to meet a redemption request. The CFTC should leave it to CPOs and their sophisticated investors to negotiate their redemption rights, gates and lock-ups.

¹¹ The investor qualification requirement for investment in a CFTC Regulation 4.13(a)(3) pool encompasses "accredited investors" as defined in Rule 501, trusts formed by accredited investors, "knowledgeable employees" as defined in Rule 3c-5 under the 1940 Act and all qualified eligible persons (QEPs) as defined under CFTC Regulation 4.7. In practice, a majority of investors in CFTC Regulation 4.13(a)(3) pools will be "qualified purchasers" under Section 2(a)(51)(A) of the 1940 Act and thus QEPs under CFTC Regulation 4.7(a)(6)(i).

Dechert suggest that the CFTC amends CFTC Regulation 4.13(b)(2) and (e)(2) as follows:

“(b)(2) The person must file the notice by no later than the time that the pool operator delivers a subscription agreement for the pool to a prospective participant in the pool; *Provided, however*, that in the case of a claim for relief under § 4.13(a)(5), the person must file the notice by the later of the effective date of the pool’s registration statement under the Securities Act of 1933 or the date on which the person first becomes a director or trustee; and *Provided, further*, that where a person registered with the Commission as a commodity pool operator intends to withdraw from registration in order to claim exemption hereunder, the person must notify its pool’s participants in written communication physically delivered or delivered through electronic transmission that it intends to withdraw from registration and claim the exemption, ~~and it must provide each such participant with a right to redeem its interest in the pool prior to the person filing a notice of exemption from registration~~”

* * *

“(e)

(1) Subject to the provisions of paragraph (e)(2) of this section, if a person who is eligible for exemption from registration as a commodity pool operator under this section nonetheless registers as a commodity pool operator, the person must comply with the provisions of this part with respect to each commodity pool identified on its registration application or supplement thereto.

(2) If a person operates one or more commodity pools described in paragraph (a)(3) or (a)(4) of this section, and one or more commodity pools for which it must be, and is, registered as a commodity pool operator, the person is exempt from the requirements applicable to a registered commodity pool operator with respect to the pool or pools described in paragraph (a)(3) or (a)(4) of this section; *Provided*, That the person:

(i) Furnishes in written communication physically delivered or delivered through electronic transmission to each prospective participant in a pool described in paragraph (a)(3) or (a)(4) of this section that it operates:

(A) A statement that it will operate the pool as if the person was exempt from registration as a commodity pool operator;

(B) A description of the criteria pursuant to which it will so operate the pool; and

(ii) Complies with paragraph (c) of this section; ~~and~~

~~(iii) Provides each existing participant in a pool that the person elects to operate as described in paragraph (a)(3) of this section a right to redeem the participant's interest in the pool, and informs each such participant of that right no later than the time the person commences to operate the pool as described in paragraph (a)(3) of this section."~~

Absent rescission of the right to redemption as it may apply to all pools or these pools in particular, Dechert would respectfully request a delay in the application of the right of redemption to the later of one year after the effective date of the final regulations under the Proposal or when the Form PF amendments are effective. Such delay will give CPOs time to consider deregistration. It will also recognize that the decision to deregister might not be able to be made until compliance with amended Form PF is better understood.

D. Align Investor Qualification for a CFTC Regulation 4.13(a)(4) Investment with the QEP Definition in CFTC Regulation 4.7(a)(6) and Make Updates Reflective of Regulatory Change

Natural Person QEPs: The CFTC has proposed to limit the natural persons who may invest in a CFTC Regulation 4.13(a)(4) pool to those who can qualify as a QEP under subparagraph (i) of the definition. This encompasses those natural person investors who do not need to meet the portfolio requirement as defined in CFTC Regulation 4.7(a)(5) to be QEPs. Dechert proposes that the CFTC include all natural persons who are QEPs as defined in CFTC Regulation 4.7(a)(6) as persons who may invest in a pool operated under CFTC Regulation 4.13(a)(4) for the following reasons:

- (i) Limiting qualifying natural persons to those persons who qualify as QEPs under subparagraph (i) of CFTC Regulation 4.7(a)(6) (those natural persons that do not have to meet the portfolio requirement as defined in CFTC Regulation 4.7(a)(5) to be QEPs) will disadvantage those CPOs who have

proceeded to rely on Letter No. 25-50 whose investors do not all qualify as QEPs under subparagraph (i).

- (ii) Differentiating between natural person QEPs and non-natural person QEPs will complicate the process of claiming the exemption for existing pools as CPOs may need to re-confirm investor qualification in order to have a reasonable belief that existing pool investors qualify if those CPOs' subscription agreements were written using the full QEP definition under CFTC Regulation 4.7(a)(6).
- (iii) Differentiating between natural persons who must meet the portfolio requirement and natural person "qualified purchasers" (who are QEPs under subparagraph (i)) is nearly a distinction without a difference since the CFTC amended the dollar amounts of the portfolio requirement in 2024,¹² so it is hard to argue that differentiating between the two will have a significant effect for investor protection, but the compliance burden the different treatment will create could add significantly to the time and resources necessary to transition from registered CPO status to operation under CFTC Regulation 4.13(a)(4).
- (iv) Limiting the proposed investor qualification requirement for natural persons to QEPs under subparagraph (i) to leave out natural persons who meet the QEP definition under paragraph (ii) will disadvantage those CPOs operating pools that are employee securities companies (ESCs) whose investors may qualify to invest in the pool by merit of being accredited investors who meet the portfolio requirement set forth in CFTC Regulation 4.7(a)(5).
- (v) Justifying this standard for qualification for investment in a CFTC Regulation 4.13(a)(4) pool as it being the original standard from 2003 fails to recognize that CFTC and SEC regulations, as well as private fund operations and offerings, have changed in the intervening 23 years. Harking back to the original standard simply because CPOs might have had

¹² See Commodity Pool Operators, Commodity Trading Advisors, and Commodity Pools Operated: Updating the 'Qualified Eligible Person' Definition; Adding Minimum Disclosure Requirements for Pools and Trading Programs; Permitting Monthly Account Statements for Funds of Funds; Technical Amendments, 89 Fed. Reg. 78793 (Sept. 26, 2024).

experience with that standard when the exemption was originally promulgated is thin reasoning.

Dechert therefore suggests that the CFTC modify proposed CFTC Regulation 4.13(a)(4)(iii)(A) to read as follows:

“(A) Each natural person participant (including such person’s self-directed employee benefit plan, if any) is ~~a natural person listed in paragraph (i) of the definition of a “qualified eligible person,” as that term is defined in § 4.7(a)(6);~~ and”

Non-Natural Person QEPs: Dechert notes that the references in the Proposal to Rule 501 regarding which non-natural person accredited investor participants may qualify to invest in a CFTC Regulation 4.13(a)(4) pool¹³ is an incomplete list that does not account for the amendments to the definition of “accredited investor” in Rule 501 of Regulation D under the Securities Act (2020 Amendments).¹⁴ In relevant part, the 2020 Amendments added an additional “catch all” institutional investor provision to the accredited investor definition in new Rule 501(a)(9). Rule 501(a)(9) provides that “any entity, of a type not listed in paragraphs (a)(1), (a)(2), (a)(3), (a)(7), or (a)(8) [of Rule 501], not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000” would satisfy the requirements to be an accredited investor.¹⁵ In the 2020 Adopting Release, the SEC explained that “the intent of this new category is to capture *all entity types* not already included in the definition of accredited investor as well as those entity types that may be created in the future.”¹⁶ (emphasis added)

¹³ Rule 501(a)(1)-(3), (7) and (8).

¹⁴ SEC Rel. Nos. 33-10824, 85 Fed. Reg. 64234 (Oct. 9, 2020) (2020 SEC Adopting Release).

¹⁵ Rule 501(a)(9).

¹⁶ 2020 Adopting Release at 64249. In the 2020 Adopting Release, the SEC cited a comment letter that enumerated the following kinds of investment funds, among others:

Sovereign investment fund; or Fund, pool or endowment, established by a federal, state, local, tribal, or foreign government pursuant to a Constitution, statute, regulation, executive order, or treaty, for a specified use or purpose, subject to oversight and control by a government officer, board or similar governing body with the powers to contract and to litigate.

Id. at fn. 165.

We do not see a reason that the other types of entity investors acknowledged by the SEC in the 2020 Amendments as institutional accredited investors but not specifically enumerated in the other institutional investor elements of Rule 501(a) should be excluded from qualifying as non-natural person QEPs.

Dechert therefore suggests that the CFTC modify proposed CFTC Regulation 4.13(a)(4)(iii)(A) to read as follows:

(B) Each non-natural person participant is a “qualified eligible person,” as that term is defined in § 4.7(a)(6) of this part, or an “accredited investor,” as that term is defined in §§ 230.501(a)(1)–(3), ~~(a)(7), or (a)(8), or (a)(7)–(9)~~, of this title;

E. Rescind the CEA Section 8a(2) Statutory Disqualification

The requirement that a CPO operating under a CFTC Regulation 4.13 exemption not be subject to a Statutory Disqualification as set forth in Commodity Exchange Act (CEA) Section 8a(2) along with all of its principals should either be removed from the regulation or modified as described herein to be more workable. Otherwise, it could have the perverse effect of causing CPOs to have to re-register in certain circumstances.

In 2020, the CFTC amended CFTC Regulation 4.13 to require that a CPO operating under one of the available CFTC Regulation 4.13 CPO exemptions not to be subject to a Statutory Disqualification from registration as set forth in CEA Section 8a(2) unless that disqualification was disclosed in the registration process and registration was still granted.¹⁷ This condition has hitherto not adversely affected registered CPOs because they have been able to disclose an enforcement action or settlement on NFA Form 7-R in an initial registration or as an amendment to NFA Form 7-R, and so long as the NFA granted the CPO registration or did not withdraw an existing registration, the matter was discharged.

CPOs that deregister in reliance on CFTC Regulation 4.13(a)(4) will no longer have that route for discharging such a disqualification, and like CPOs operating under CFTC Regulation 4.13 currently, the only options available if a CEA Section 8a(2)

¹⁷ See Registration and Compliance Requirements for Commodity Pool Operators and Commodity Trading Advisors: Prohibiting Exemptions on Behalf of Persons Subject to Certain Statutory Disqualifications, 85 Fed Reg. 40877 (July 8, 2020).

disqualification arises will be seeking exemptive relief from the CFTC (a potentially long, costly and uncertain process), CPO reregistration (a nonsensical result) or quitting trading commodity interests altogether (an existential threat to a CPO's business).

As discussed above, investors in CFTC Regulation 4.13(a)(3) and (a)(4) pools are highly-sophisticated. The individual and institutional investors among them engage in extensive due diligence of the pools and their asset managers in which they invest before investing and on an on-going basis. In addition, if the CPO to a pool in which they are investing is an RIA or relying adviser, the CPO will be subject to the detailed matter disclosure requirements of SEC Form ADV. Leadership organizational charts and direct and indirect ownership is also disclosed in Form ADV. Rather than maintaining this paternalistic condition in the regulation, with which it is costly to comply and which no investor requested at the time of its promulgation, the CFTC has the opportunity for a free market solution. Investors do not need to invest with or continue to invest with a CPO they do not trust because of a CEA Section 8a(2) Statutory Disqualification.

Furthermore, for RIAs operating under CFTC Regulation 4.13(a)(4), if the RIA's primary regulator, the SEC, does not deregister the entity as an RIA as a result of a Section 8a(2) Statutory Disqualification, it begs the question why the CFTC should set a higher standard and prohibit the entity from operating under the CPO exemption.

For this purpose, Dechert suggests the CFTC amend CFTC Regulation 4.13(b)(iii) as follows:

~~“(iii) Represent that neither the person nor any of its principals has in its background a statutory disqualification that would require disclosure under section 8a(2) of the Act if such person sought registration, unless such disqualification arises from a matter which was disclosed in connection with a previous application for registration, where such registration was granted [Reserved].”~~

We also note that, if the CFTC maintains the Statutory Disqualification condition in CFTC Regulation 4.13 and regardless of how it addresses the discharge issue, for the sake of efficiency, we believe that the CFTC should remove the qualification as it applies to a CPO's principals. Currently, exempt CPOs must undertake a registration-like type analysis to determine the identity of their principals. For the reasons described below, the principal-identification process can be a costly and nuanced exercise, and is subject to second-guessing. CFTC Regulation 3.1(a) defines which individuals and entities would

need to be listed as principals of a CFTC registrant. The definition includes certain enumerated officerships (for example: CEO, directors, CCO, etc.), but also includes an amorphous category of “any person in charge of a principal business unit, division or function subject to regulation by the Commission.” In addition, the principal definition covers individuals with certain direct or indirect interests in the CPO traditionally associated with ownership and direct entity owners.

Given the complexity and heterogeneity of leadership organization charts and complexity of ownership interests, especially as some CPO founders try to address succession and estate planning, the process to identify each person that constitutes a CFTC Regulation 3.1(a) principal can easily be the most challenging and costly analysis in a CPO’s registration process. The continued inclusion of this condition in the CPO exemption burdens exempt CPOs with this exercise, and the exercise must be confirmed at least annually in order for the CPO to reaffirm the exemption notice with the NFA.

If the CFTC maintains this condition in the regulation, Dechert suggests that the CFTC amend CFTC Regulation 4.13(b)(iii) as follows:

“(iii) Represent that ~~neither~~ the person ~~nor any of its principals~~ has in its background a statutory disqualification that would require disclosure under section 8a(2) of the Act if such person sought registration, unless such disqualification arises from a matter which ~~was~~ is disclosed to the Commission in a timely manner, which disclosure may be in connection with a previous application for registration, where such registration was granted”

II. Statutory and Regulatory Cross-References Issues

To give maximum practical effect to the reinstatement of a CPO exemption under CFTC Regulation 4.13(a)(4), however it is so finalized, Dechert would like to take this opportunity to highlight various regulatory cross-references issues that arise from the Proposal and other regulatory developments that have occurred since the previous CPO exemption under CFTC Regulation 4.13(a)(4) was rescinded in 2012 that complicate the codification of Letter No. 25-50 in 2026. Since the CFTC Part 4 Regulations were amended in 2012 to rescind prior CFTC Regulation 4.13(a)(4), aspects of the CFTC Part 4 regulations and other CFTC Regulations have been incrementally amended. Housing a CPO exemption in CFTC Regulation 4.13(a)(4) and the corollary CFTC Regulation

4.14(a)(8) CTA exemption needs to account for the fact that the CFTC’s regulations have not remained ossified during this time period.

A. Amend the Regulatory Eligible Contract Participant Definition

The CFTC needs to amend the CFTC Regulation 1.3 definition of eligible contract participant (ECP) to include a pool operated by a CFTC Regulation 4.13(a)(4) exempt CPO when describing how a private commodity pool may qualify to trade swaps. Currently, the ECP definition in subpart (8) allows for a private commodity pool to qualify as an ECP if it has \$10 million in total assets and is operated by either a registered CPO or a CPO exempt under CFTC Regulation 4.13(a)(3). This is an accident of history rather than a substantive, policy consideration. When Congress amended the CEA through the Dodd-Frank Act, it drafted the prong of the statutory definition of ECP in Section 1a(18) such that if a private commodity pool trades over-the-counter (OTC) FX contracts,¹⁸ all of its participants¹⁹ must also be ECPs. The point of the amendment was to protect retail investors investing in so-called “Retail Forex Pools.” However, the amendment to the CEA ECP definition created a crisis for private commodity pools by sweeping them into the same definition, and thus requiring that all private fund participants be ECPs if the private fund were to trade OTC FX contracts.

In 2011 and 2012, Managed Funds Association and the Global Foreign Exchange Division of the Global Financial Markets Association petitioned the CFTC for a regulatory fix. The CFTC promulgated the ECP definition under the CFTC Regulation 1.3(m)(8).²⁰ So long as a private commodity pool met the total assets test and was operated by a registered CPO or CPO exempt under CFTC Regulation 4.13(a)(3), it could trade swaps. CFTC Regulation 4.13(a)(4) was not included, because it had already been rescinded. The International Swaps and Derivatives Association issued an addendum to its August 2012 Dodd-Frank Act Protocol so that affected funds could make an accurate representation to registered swap dealers to meet those registered swap dealers’ business conduct requirements under the CFTC Part 23 Regulations.

¹⁸ As set forth in CEA Sections 2(c)(2)(B)(vi) and 2(c)(2)(C)(vii).

¹⁹ Meaning direct investors as defined in CFTC Regulation 4.10(d).

²⁰ Today the CFTC definitions in CFTC Regulation 1.3 are in alphabetical order so the reference to subpart (m) no longer applies.

Without this conforming amendment, CPOs of private funds that trade OTC FX contracts will not be able to make an accurate representation to their swap dealers and security-based swap dealers if the CPOs proceed to deregister in reliance on CFTC Regulation 4.13(a)(4). The issue has the added complication that any representation must be reasonable to the registered dealer receiving it, leaving CPOs at the mercy of their OTC trading counterparties if this cross-reference is not addressed.

Dechert suggest that the ECP definition in subpart (8) of CFTC Regulation 1.3 be amended as follows:

“Eligible contract participant. This term has the meaning set forth in section 1a(18) of the Act, except that

* * *

(8) Notwithstanding section 1a(18)(A)(iv) of the Act and paragraph (5) of this definition, a commodity pool that enters into an agreement, contract, or transaction described in section 2(c)(2)(B)(i) or section 2(c)(2)(C)(i)(I) of the Act is an eligible contract participant with respect to such agreement, contract, or transaction, regardless of whether each participant in such commodity pool is an eligible contract participant, if all of the following conditions are satisfied:

(i) The commodity pool is not formed for the purpose of evading regulation under section 2(c)(2)(B) or section 2(c)(2)(C) of the Act or related Commission rules, regulations or orders;

(ii) The commodity pool has total assets exceeding \$10,000,000; and

(iii) The commodity pool is formed and operated by a registered commodity pool operator or by a commodity pool operator who is exempt from registration as such pursuant to § 4.13(a)(3) or § 4.13(a)(4) of this chapter.”

B. Codify the Independent Account Controller No-Action Relief for CTAs

The CFTC should provide deregistering CTAs more certainty that they will continue to qualify as independent account controllers (IACs) for position limit disaggregation by codifying the pertinent part of CFTC No-Action Letter No. 25-21 (July

18, 2025) (Letter No. 25-21). Otherwise, CTAs that deregister in reliance on CFTC Regulation 4.14(a)(8)(i)(D) run the risk of no longer qualifying as IACs at some point in the future.

Under the CFTC Part 150 Regulations, a person must aggregate the positions it owns or controls for position limit compliance purposes unless an exemption under CFTC Regulation 150.4 is available. Hiring a third party manager to control positions only overcomes the assumption of control if both the person and the third party manager meet the conditions of the IAC exemption. Per the terms of the regulatory definition of IAC in CFTC Regulation 150.1, in order for a CTA to qualify as an IAC, it must be a registered CTA. Since 2014, CFTC Staff has issued and rolled forward no-action relief which has allowed exempt CTAs to qualify as IACs.²¹ Currently, that no-action relief is “evergreen” until the CFTC takes action to amend the relevant regulations. A CTA that deregisters in reliance on CFTC Regulation 4.14(a)(8)(i)(D) as the CFTC has amended it will continue to qualify as an IAC (assuming other conditions of the exemption are met) and be able to rely on Letter No. 25-21, but it puts such a CTA in the awkward position of moving from operating with regulatory certainty as a registered CTA to operating under no-action relief without the same certainty that Letter No. 25-21 will continue to be rolled forward.

Dechert therefore suggests that the IAC definition in CFTC Regulation 150.1 be amended as follows:

“Independent account controller means a person:

(5) Who is:

(i) Registered as a futures commission merchant, an introducing broker, a **registered or exempt** commodity trading advisor, or an associated person of any such registrant, or...”

²¹ See CFTC No-Action Letter No. 17-37 (Aug. 10, 2017); CFTC No-Action Letter No. 19-19 (July 31, 2019); and CFTC No-Action Letter No. 22-09 (Aug. 10, 2022).

C. Amend the Aggregation Exemption for Ownership by Limited Partners, Shareholders and Other Pool Participants

The CFTC could provide greater certainty regarding aggregation for position limit compliance purposes by removing the carve-out from the exemption from aggregation under CFTC Regulation 150.4(b)(1)(iii) for persons who by power of attorney or otherwise directly or indirectly own 25% of a commodity pool the operator of which is exempt from registration under CFTC Regulation 4.13. Generally, a limited partner, shareholder or other pool participant is not required to aggregate its own positions with those held in a pool even if the investor's interest in the pool is 10% or greater. But this exemption has some carve-outs. One of these carve-outs is if the investor has a 25% or greater ownership interest in the pool and the pool is operated under any prong of CFTC Regulation 4.13. If a CPO transitions from operation of a pool in its registered CPO capacity to operation under CFTC Regulation 4.13(a)(4), certain limited partners, shareholders or other pool participants will have to aggregate their own positions with the positions the CFTC Regulation 4.13(a)(4) pool holds for position aggregation compliance purposes. In order to facilitate this aggregation, the pool may need to share information with the investor to the detriment of the pool and the other pool investors. There is no policy argument that Dechert can locate in the regulatory history for this carve-out from the limited partner disaggregation exemption in its entirety.

We suggest that the CFTC take this opportunity simply to remove subsection (iii) from this carve-out from the disaggregation exemption as an anachronism. Short of this, Dechert suggest that CFTC Regulation 150.4(b)(1) be amended as follows:

“Has, by power of attorney or otherwise directly or indirectly, a 25 percent or greater ownership or equity interest in a commodity pool, the operator of which is exempt from registration under § 4.13**(a)(3)** of this chapter.”

D. Revise References to “Exempt Pool” in CFTC Regulation CFTC Regulation 4.7(a)(6)(i)(J) to Include a CFTC Regulation 4.13(a)(4) Pool

Some investors who qualify as QEPs under CFTC Regulation 4.7(a)(6)(i) do so by being employees of the relevant pool, the pool's CPO or CTA or other related entities, serving in a non-clerical employment capacity and having the requisite employment

tenure.²² It appears from the Proposal that the CFTC's intent is for these individuals to qualify to invest in a CFTC Regulation 4.13(a)(4) pool given that they are individuals who do not need to meet the portfolio requirement and thus would be QEPs under paragraph (i) of the definition. However, subsection (J) of the QEP definition is written in reference to an "exempt pool" which is defined under CFTC Regulation 4.7(a)(3) as "a pool that is operated pursuant to an effective claim for exemption under this section," with "this section" meaning a pool operated by a registered CPO under the operational exemption available in CFTC Regulation 4.7(b). A pool operated by a CPO under CFTC Regulation 4.13(a)(4) will not be an "exempt pool."

Dechert therefore suggests that the CFTC amends CFTC Regulation 4.7(a)(6)(i)(J) to read as follows:

"(J) With respect to an exempt pool **or pool operated under § 4.13(a)(4)**:

(1) The commodity pool operator, commodity trading advisor or investment adviser of the exempt pool **or pool operated under § 4.13(a)(4)** offered or sold, or an affiliate of any of the foregoing;

(2) A principal of the exempt pool **or pool operated under § 4.13(a)(4)** or the commodity pool operator, commodity trading advisor or investment adviser of the exempt pool **or pool operated under § 4.13(a)(4)**, or an affiliate of any of the foregoing;

(3) An employee of the exempt pool **or pool operated under § 4.13(a)(4)** or the commodity pool operator, commodity trading advisor or investment adviser of the exempt pool **or pool operated under § 4.13(a)(4)**, or of an affiliate of any of the foregoing (other than an employee performing solely clerical, secretarial or administrative functions with regard to such person or its investments) who, in connection with his or her regular functions or duties, participates in the investment activities of the exempt pool **or pool operated under § 4.13(a)(4)**, other commodity pools operated by the pool operator of the exempt pool **or pool operated under § 4.13(a)(4)** or other accounts advised by the trading advisor or the investment adviser of the exempt pool **or pool operated under § 4.13(a)(4)**, or by the affiliate; *Provided*, That such employee has been performing such functions and duties for or on behalf of the exempt pool **or pool operated under § 4.13(a)(4)**, pool operator, trading advisor, investment adviser or affiliate, or substantially similar functions

²² CFTC Regulation 4.7(a)(6)(i)(J).

or duties for or on behalf of another person engaged in providing commodity interest, securities or other financial services, for at least 12 months;

(4) Any other employee of, or an agent engaged to perform legal, accounting, auditing or other financial services for, the exempt pool **or pool operated under § 4.13(a)(4)** or the commodity pool operator, commodity trading advisor or investment adviser of the exempt pool **or pool operated under § 4.13(a)(4)**, or any other employee of, or agent so engaged by, an affiliate of any of the foregoing (other than an employee or agent performing solely clerical, secretarial or administrative functions with regard to such person or its investments); *Provided*, That such employee or agent:

(i) Is an accredited investor as defined in § 230.501(a)(5) or (6) of this title; and

(ii) Has been employed or engaged by the exempt pool **or pool operated under § 4.13(a)(4)**, commodity pool operator, commodity trading advisor, investment adviser or affiliate, or by another person engaged in providing commodity interest, securities or other financial services, for at least 24 months;

(5) The spouse, child, sibling or parent of a person who satisfies the criteria of paragraph (a)(6)(i)(J)(I), (2), (3), or (4) of this section; *Provided*, That:

(i) An investment in the exempt pool **or pool operated under § 4.13(a)(4)** by any such family member is made with the knowledge and at the direction of the person; and

(ii) The family member is not a qualified eligible person for the purposes of paragraph (a)(6)(ii)(K) of this section;

(6) Any person who acquires a participation in the exempt pool **or pool operated under § 4.13(a)(4)** by gift, bequest or pursuant to an agreement relating to a legal separation or divorce from a person listed in paragraph (a)(6)(i)(J)(I), (2), (3), (4), or (5) of this section;

(7) The estate of any person listed in paragraph (a)(6)(i)(J)(I), (2), (3), (4), or (5) of this section; or

(8) A company established by any person listed in paragraph (a)(6)(i)(J)(1), (2), (3), (4), or (5) of this section exclusively for the benefit of (or owned exclusively by) that person and any person listed in paragraph (a)(6)(i)(J)(6) or (7) of this section;”

E. Move the CPO Exemption to CFTC Regulation 4.5

So long as the CFTC maintains the conditions it has proposed to apply to private fund pool’s operators including the requirement that the CPO be an RIA or relying adviser, Dechert posits that such a pool looks more like an “otherwise-regulated pool” for which the CPO exclusions are housed in CFTC Regulation 4.5. Dechert proposes that the CFTC moves the treatment of such pools and CPOs to a new subparagraphs (a)(5) and (b)(5) of CFTC Regulation 4.5 rather than locating the exemption in CFTC Regulation 4.13. This would recognize that these pools are subject to other regulation which protects investors and the markets. Doing so would remove the complications related to the right of redemption, the CEA Section 8a(2) Statutory Disqualification and disaggregation under CFTC Regulation 150.4(b)(1)(iii) (each as described above).

The ECP and investor qualification issues discussed herein would still need to be addressed.

III. Issues with the Proposal Regarding CFTC Regulation 4.14

Dechert appreciates the CFTC’s Proposal to reinstate the CTA registration exemption under CFTC Regulation 4.14(a)(i)(D) such that a CTA providing commodity interest trading advice to a pool operated under CFTC Regulation 4.13(a)(4) and meeting the other conditions of the exemption would not be required to register with the CFTC as a CTA or could deregister if already registered. In order to make this aspect of the Proposal more workable, Dechert suggests that the CFTC make certain additional amendments to CFTC Regulation 4.14 and an amendment to CFTC Regulation 4.7 as discussed below.

A. Rescind the Right to Terminate a CTA Advisory Agreement

The CFTC should provide CTAs with a commensurate dispensation for the CFTC Regulation 4.14 right to terminate as the Proposal does for the right to redemption under CFTC Regulation 4.13(e).

As with the right to redemption for pool participants, when a CPO moves from operating in a registered CPO capacity to operation under CFTC Regulation 4.13, the second proviso of CFTC Regulation 4.14(c)(2) requires a CTA moving from operation in its registered CTA capacity to operation as an exempt CTA to give the client the right to terminate the advisory agreement.

Although advisory agreements do not tend to have gates and lockups and the termination of the agreement does not tend to have the potential adverse knock-on effects to other investors and the markets of asset liquidations to meet redemptions that the pool right of redemptions does, the requirement that transitioning CTAs give their clients an affirmative right to terminate could have a chilling effect on their use of the reinstated CTA exemption or cause client confusion.

Dechert suggests that the CFTC takes this opportunity to remove the right to terminate from the regulation entirely so as to defer to market participants to contract for their own termination clauses.

For this purpose, Dechert suggests that the CFTC amend CFTC Regulation 4.14(a)(8)(iii)(B) as follows:

“(B) The person must file the notice by no later than the time it delivers an advisory agreement for the trading program pursuant to which it will offer commodity interest advice to a client; Provided, That where the advisor is registered with the Commission as a commodity trading advisor, it must notify its clients in written communication physically delivered or delivered through electronic transmission that it intends to withdraw from registration and claim the exemption ~~and must provide each such client with a right to terminate its advisory agreement prior to the person filing a notice of exemption from registration.~~”

And that the CFTC amend CFTC Regulation 4.14(c)(2) as follows:

(2) If a person provides commodity interest trading advice to a client described in paragraph (a) of this section and to a client for which it must be, and is, registered as a commodity trading advisor, the person is exempt from the requirements applicable to a registered commodity trading advisor with respect to the clients so described; Provided, That the person furnishes in writing to each prospective client described in paragraph (a) of this section a statement that it will provide commodity interest trading advice to the

client as if it was exempt from registration as a commodity trading advisor; ~~Provided Further, That the person provides to each existing client described in paragraph (a) of this section a right to terminate its advisory agreement, and informs such client of that right no later than the time the person commences to provide commodity interest trading advice to the client as if the person was exempt from registration.~~"

Short of the complete removal of the right to terminate, Dechert suggests that the CFTC exclude from the right to terminate clients of CTAs that transition from registered CTA status to exempt status under any of the prongs of CFTC Regulation 4.14(a)(8), (a)(10) and (a)(11). In the case of CFTC Regulation 4.14(a)(8), each client of the CTA must be an institutional client (*i.e.*, registered investment company, collective investment trust, non-U.S. pool or private fund, etc.). In the case of CFTC Regulation 4.14(a)(10), the CTA cannot hold itself out as a CTA to the public in the United States making it unlikely its 15 clients are retail investors. In the case of CFTC Regulation 4.14(a)(11), these are family office clients which also tend to be incredibly sophisticated.²³ As noted above, institutional and sophisticated investors have the resources and processes in place to determine with whom they would like to invest and whether their advisor's deregistration as a CTA merits termination of the advisory agreement.

For this purpose, Dechert suggests that CFTC Regulation 4.14(a)(8)(iii)(B) would read as follows:

"(B) The person must file the notice by no later than the time it delivers an advisory agreement for the trading program pursuant to which it will offer commodity interest advice to a client; Provided, That where the advisor is registered with the Commission as a commodity trading advisor, it must notify its clients in written communication physically delivered or delivered through electronic transmission that it intends to withdraw from registration and claim the exemption and must provide each such client **described in paragraphs (a)(1)-(3), (a)(6)-(7) and (a)(9)** with a right to terminate its advisory agreement prior to the person filing a notice of exemption from registration."

²³ Dechert also suggests that the application of the right to terminate in the case of a CPO that is also the CTA to its own pool does not make sense and would not apply the right to terminate to a CTA that is exempt from registration because it is advising its own pool under CFTC Regulation 4.14(a)(4) or (a)(5).

And that the CFTC amend CFTC Regulation 4.14(c)(2) as follows:

(2) If a person provides commodity interest trading advice to a client described in paragraph (a) of this section and to a client for which it must be, and is, registered as a commodity trading advisor, the person is exempt from the requirements applicable to a registered commodity trading advisor with respect to the clients so described; Provided, That the person furnishes in writing to each prospective client described in paragraph (a) of this section a statement that it will provide commodity interest trading advice to the client as if it was exempt from registration as a commodity trading advisor; Provided Further, That the person provides to each existing client described in paragraphs (a)(1)-(3), (a)(6)-(7) and (a)(9) of this section a right to terminate its advisory agreement, and informs such client of that right no later than the time the person commences to provide commodity interest trading advice to the client as if the person was exempt from registration.”

B. Classify a Pool Operated under CFTC Regulation 4.13(a)(4) as a QEP under CFTC Regulation 4.7(a)(6)(i)(P)

The CFTC could assist CTAs that will remain registered as such with qualifying to provide advice to pools under the operational exemption in CFTC Regulation 4.7(c) by modifying the reference to “an exempt pool” in CFTC Regulation 4.7(a)(6)(i)(P) to include a pool operated under CFTC Regulation 4.13(a)(4). As noted above, the term “exempt pool” is defined in CFTC Regulation 4.7(a)(3) to mean “a pool that is operated pursuant to an effective claim for exemption under this section” with “this section” meaning CFTC Regulation 4.7. Trading subsidiaries of commodity pools, and especially controlled foreign corporations (CFCs) of investment companies registered under the 1940 Act are often operated by their CPO in its registered CPO capacity under CFTC Regulation 4.7(b), meaning the trading subsidiary or CFC an “exempt pool” whose CTA (which can often be a third-party) can provide the subsidiary or CFC with commodity interest trading advice under the CTA operational exemption under CFTC Regulation 4.7(c).

In the event that the CPO of such a trading subsidiary or CFC proceeds to operate the trading subsidiary or CFC under new CFTC Regulation 4.13(a)(4), the trading subsidiary or CFC will no longer be an “exempt pool” as defined in CFTC Regulation 4.7(a)(3). Because so few assets are needed to margin commodity interest trades, especially exchange-traded commodity interests for which the subsidiary or CFC does not need to qualify as an ECP, sometimes these vehicles may not qualify otherwise as QEPs or may not qualify as QEPs for a period of time after launch. Not all CTAs advising pools operated

under the CFTC Regulation 4.13(a)(4) exemption will be able to qualify for the CFTC Regulation 4.14(a)(8)(i)(D) CTA exemption because of the other conditions of the exemption, nor should they be forced to try to fit into that CTA exemption where they have made the decision for their business to operate as a registered CTA under CFTC Regulation 4.7(c).

If such a subsidiary or CFC would no longer qualify as a QEP, the registered CTA would be required to treat that vehicle as a “retail” commodity pool meaning the CTA would be obligated to deliver a CFTC Part 4-compliant Disclosure Document that is reviewed and approved by the NFA and updated on a calendar set forth under CFTC Regulation 4.36. Arguably, the subsidiary or CFC would not need the Disclosure Document that is designed for retail investors. By comparison, a CTA operating under CFTC Regulation 4.7(c) is only required to provide its QEP clients with the short disclaimer set forth in CFTC Regulation 4.7(c)(1)(i) that usually appears in the investment management agreement with the client and obtain consent to treat the client’s account as an “exempt account.” The need to draft, file and deliver a Disclosure Document would create a significant additional burden on affected registered CTAs in terms of time and resources or would prevent an otherwise qualified CPO from relying on the CFTC Regulation 4.13(a)(4) exemption for such a vehicle in order for that vehicle to remain an “exempt pool,” and is likely an unintended consequence of the Proposal.

For this purpose, Dechert suggests that the CFTC amend CFTC Regulation 4.7(a)(6)(i)(P) as follows:

(P) “An exempt pool **or pool operated under § 4.13(a)(4).**”

* * *

We thank the CFTC for its consideration of our comments, the comments of other stakeholders and efforts to provide workable, commonsense regulations for CPOs and CTAs through a “minimum effective dose.” We would welcome the opportunity to discuss any of the points we have raised in this letter in greater detail.

If we may answer questions or provided additional information that may assist the CFTC or the CFTC Staff, please contact Audrey Wagner (audrey.wagner@dechert.com or +1 202.261.3365), Philip Hinkle (philip.hinkle@dechert.com or +1 202.261.3460), or Michael McGrath (michael.mcgrath@dechert.com or + 1 617 728 7178).



Respectfully submitted,

/s/ Audrey Wagner