

MEMO# 30162

August 23, 2016

Draft Letter on CFTC Proposed Amendments to Rule for Foreign CPOs and CTAs - Your Comments Requested by August 30

[30162]

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TO: REGISTERED FUND CPO ADVISORY COMMITTEE
ICI GLOBAL REGULATED FUNDS COMMITTEE No. 53-16 RE: DRAFT LETTER ON CFTC PROPOSED AMENDMENTS TO RULE FOR FOREIGN CPOs AND CTAs - YOUR COMMENTS REQUESTED BY AUGUST 30

The Commodity Futures Trading Commission (“CFTC” or “Commission”) recently proposed amendments (“Proposal”) to CFTC regulation 3.10(c). The Proposal would broaden the exemption from registration for a person located outside the United States acting as a commodity pool operator, commodity trading advisor, introducing broker, or a futures commission merchant, in connection with commodity interest transactions solely on behalf of persons located outside the United States, or on behalf of certain international financial institutions (“IFIs”). [\[1\]](#) The Proposal would, among other things, remove the clearing condition from Regulation 3.10(c).

ICI Global has joined the Investment Adviser Association (“IAA”) and the Asset Management Group of the Securities Industry and Financial Markets Association (“SIFMA AMG”) in preparing the attached draft comment letter supporting the Proposal. The draft letter supports the Commission’s proposed codification of existing CFTC staff no-action relief to eliminate the clearing condition in the exemption. The letter explains that the Proposal is consistent with the underlying purposes, goals, and intent of Regulation 3.10(c)(3)(i) as evident from the history of amendments to that provision, the clearing requirements under Section 2(h) of the Commodity Exchange Act, and Commission policy.

If you have any comments on the draft letter, please submit your comments in writing to Sarah Bessin at sarah.bessin@ici.org or Rachel Graham at rgraham@ici.org by Tuesday, August 30th.

Sarah A. Bessin
Associate General Counsel

[Attachment](#)

endnotes

[1] Exemption From Registration for Certain Foreign Persons, 81 Fed. Reg. 51824 (Aug. 5, 2016), available at <http://www.cftc.gov/idc/groups/public/@lrfederalregister/documents/file/2016-18210a.pdf>. For a description of the Proposal, please see ICI Memorandum No. 30123 (Aug. 9, 2016), available at <https://www.iciglobal.org/iciglobal/pubs/memos/memo30123>.

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