

MEMO# 32433

May 4, 2020

CFTC Proposes Revisions to Periodic Reporting Requirements for Commodity Pool Operators

[32433]

May 4, 2020 TO: ICI Members SUBJECTS: Alternative Investments

Closed-End Funds

Compliance

Derivatives

Fund Accounting & Financial Reporting

Investment Advisers RE: CFTC Proposes Revisions to Periodic Reporting Requirements for Commodity Pool Operators

The Commodity Futures Trading Commission has issued a proposal that would modify the periodic reporting requirements applicable to commodity pool operators (CPOs).[\[1\]](#)
Comments on the proposal are due on or before June 15.

Background

In 2012, the CFTC adopted Regulation 4.27 to require the periodic reporting on Form CPO-PQR of information about a CPO and the pools that it operates. The form is composed of three separate schedules: Schedule A, which requires identifying information about a CPO, its pools, and service providers used; Schedule B, which requires detailed information about each pool, including a schedule of investments; and Schedule C, which requires greater detail about a CPO's pools, both on an aggregate and pool-by-pool basis (e.g., how the pool would respond to changes in market factors such as interest rates, credit spreads, currency rates, etc.).

The relative size of a CPO, based on aggregated pool assets under management (AUM), determines which of the schedules the CPO is required to file and how frequently:

- Small CPOs—those with less than \$150 million in aggregated pool AUM—file Schedule A annually.
- Mid-Sized CPOs—those with at least \$150 million but less than \$1.5 billion in aggregated pool AUM—file Schedules A and B annually.
- Large CPOs—those with at least \$1.5 billion in aggregated pool AUM—file Schedules A,

B and C quarterly.

Overview of Current Proposal

The proposal would streamline the information to be reported on Form CPO-PQR and harmonize the frequency of reporting across all CPOs. It would eliminate the reporting requirements in existing Schedules B and C other than the pool schedule of investments and make certain other changes to existing Schedule A. As proposed to be revised, Form CPO-PQR would consist of:

- The information currently reported in Schedule A, except that questions seeking information about pool auditors and marketers would be deleted;
- The pool schedule of investments, currently required as part of Schedule B; and
- New questions to solicit legal entity identifiers (LEIs) for the CPO and its operated pools, but only to the extent that such entities already have LEIs.

All CPOs, regardless of size, would file Revised Form CPO-PQR on a quarterly basis. As discussed more fully in the proposing release, the CFTC “believes that this information, when integrated with other data streams available to the Commission, would provide an effective and efficient way for the Commission to oversee and assess the impact of CPOs and their operated pools in the commodity interest markets.”^[2]

Revised Form CPO-PQR would be substantially similar to the current report that all CPOs must file quarterly with the National Futures Association. The proposing release notes that NFA intends to amend its form (NFA Form PQR) to require reporting of LEIs for a CPO and its operated pools, to the extent such entities already have LEIs. Accordingly, under the proposal, a CPO would be able to satisfy its CFTC reporting obligation by filing NFA Form PQR on a quarterly basis. The CFTC believes, however, that retaining “its own form for data collection purposes [is necessary] to ensure that it retains the authority to address its data needs regarding CPOs in the future on a unilateral basis should the need arise.”^[3]

Under the proposal, a CPO that is dually registered with the Securities and Exchange Commission as an investment adviser no longer would be permitted to satisfy its CFTC reporting obligation by filing Form PF.

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endnotes

^[1] *Amendments to Compliance Requirements for Commodity Pool Operators on Form CPO-PQR*, 85 Fed. Reg. 26378 (May 4, 2020), available at <https://www.cftc.gov/sites/default/files/2020/05/2020-08496a.pdf>.

^[2] *Id.* at 26382-83.

[\[3\]](#) *Id.* at 26385.

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