

ICI VIEWPOINTS

February 10, 2012

Amended CFTC Rule 4.5 Appears to Impose Unnecessary Burdens on Many Mutual Fund Advisers

On February 8, the Commodity Futures Trading Commission (CFTC) issued [amended Rule 4.5](#), a regulation governing commodity pool operators (CPOs), as well as a related rule proposal. Among other changes, the amendments to the rule significantly narrow the ability of registered investment advisers to rely on the rule's exclusion from regulation as a CPO. As a result, many advisers will be required to register with the CFTC even though they are already regulated by the Securities and Exchange Commission (SEC).

ICI issued the following statement with regard to amended Rule 4.5:

"We have serious concerns about amended CFTC Rule 4.5 and the unnecessary operational and compliance burdens it appears to impose on many mutual fund advisers. While we continue to review the new rule in detail, it appears that it fails to address numerous concerns raised by ICI and others, and will impose needless costs on funds and fund shareholders."

ICI previously submitted a [comment letter](#) to the CFTC on the proposed rule amendments, [testified](#) on the proposal in a House hearing, and submitted a [statement](#) for a CFTC Roundtable on the subject July 6, 2011.