Proskauer

CFTC Issues No?Action Relief Easing Registration Requirements for Private Fund Managers

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Overview

On December 19, 2025, the Commodity Futures Trading Commission (the "CFTC") issued a no-action letter (the "No-Action Letter") that permits many private fund managers registered with the Securities and Exchange Commission (the "SEC") to forgo registering with the CFTC as commodity pool operators ("CPOs") and commodity trading advisors ("CTAs") or to withdraw existing CPO/CTA registrations, subject to certain conditions. The relief responds to a request from the Managed Funds Association (the "MFA") and targets longstanding concerns with duplicative registration for SEC-registered private fund managers offering pools exclusively to sophisticated investors. Unlike reliance on 4.13(a)(3), this interim relief does not impose a *de minimis* limit on commodity interest trading for covered pools, although other conditions must be satisfied in order to claim it.

Who is Affected

The relief affects SEC-registered investment advisers that operate or advise private funds offered exclusively to Qualified Eligible Persons ("QEPs") as defined in CFTC Regulation 4.7(a)(6), including funds relying on Section 3(c)(7) of the Investment Company Act (i.e., funds open only to "qualified purchasers").[1]

What the Relief Does

The No-Action Letter provides interim relief modeled on former CFTC Rule 4.13(a)(4) (the "QEP Exemption"), which was rescinded in 2012, while the CFTC considers formal rulemaking to reinstate or modify that exemption. Under the No-Action Letter, an SEC-registered adviser that offers commodity pools exclusively to QEPs may decline to register – or may deregister – as a CPO and, where applicable, a CTA, provided the adviser satisfies all conditions below and follows the specified notice procedure:[2]

1. It is currently, or would be absent this relief, required to be registered with the CFTC as a CPO for its commodity pool operations, or it relies upon an existing exemption from CPO registration in CFTC regulation 4.13;
2. It is registered with the SEC as an investment adviser;
3. The interests in the relevant pool(s) are exempt from registration under the Securities Act and sold without marketing to the public in the United States; provided that the prohibition on public marketing does not apply to a pool that is also offered pursuant to Rule 506(c) of Regulation D;
4. At the time of investment or at the time the adviser begins relying on the No-Action Letter, the adviser reasonably believes that each pool participant is a QEP under CFTC regulation 4.7(a)(6);[3]
5. The person files a Form PF with the SEC with respect to the pool(s) covered by this no-action position, which filing is received by the CFTC;
6. The person complies with the requirements of CFTC regulations 4.13(b) (except paragraph (b)(2)) and 4.13(c) as if the no-action position were an exemption under 4.13(a), except that such notices should be filed via email to the CFTC's Market Participants Division at mpdnoaction@cftc.gov. A materially complete notice will be effective upon emailing to the Division.[4]

Separately, the No-Action Letter confirms that a CPO relying on this letter would not be required to comply with CFTC Regulation 4.13(e)(2) and offer to participants the right to redeem the participant's interest in the pool solely with respect to pools for which it is relying on this no-action position.

Why It Matters

The No-Action Letter is a significant step toward a more streamlined framework for SEC-registered private fund managers. It can reduce duplicative or conflicting requirements, lower compliance and operational costs, and better align CFTC and SEC oversight for managers serving sophisticated investors.

What's Next

The relief remains in effect until the CFTC completes rulemaking to reinstate a version of the former 4.13(a)(4) exemption or publicly determines not to proceed. While rulemaking generally is expected, any final exemption could include conditions that differ from those in the No-Action Letter. The MFA has sought both reinstatement through rulemaking and interim relief and has indicated that it will continue advocating for a durable exemption for managers offering funds exclusively to QEPs. In the meantime, eligible managers may rely on the No-Action Letter while monitoring developments and maintaining documentation that supports their reliance.

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[1] The QEP definition includes all "qualified purchasers" under the Investment Company Act. Accordingly, Section 3(c)(7) funds are eligible under this relief.

[2] A manager's withdrawal of its CFTC registration would also be a basis for withdrawing its membership with the National Futures Association (the "NFA"). Although no-action positions of a Division are binding only on that Division, they are influential with the NFA, which was copied on the No-Action Letter. In addition, where a CPO qualifies for this relief and also acts as a CTA solely to pools described by the No-Action Letter, the firm would likely also qualify under the existing CTA exemption under Rule 4.14(a)(5).

[3] The "reasonable belief" may be established either at the time of the investment or at the time of relying on the no-action position. Firms may use this flexibility to remediate missing information in legacy files before filing the notice.

[4] Firms should save copies of the notice email and transmission records as evidence of submission. For pools currently relying on 4.13(a)(3), consider on a pool-by-pool basis whether the benefit of dropping *de minimis* limits outweighs the obligations under 4.13(b) and (c).

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