Published on *The National Law Review* https://natlawreview.com

CFTC's Division of Market Oversight Extends No-Action Relief from Position Aggregation Requirements

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On August 1, 2019, the Commodity Futures Trading Commission's (CFTC) Division of Market Oversight (DMO) issued a letter extending prior no-action relief, which suspended the need for certain persons otherwise required to aggregate positions to proactively file formal written notice for position limits purposes. The prior relief, CFTC No Action Letter 17-37, was set to expire on August 12, 2019. The extension, which is CFTC No Action Letter 19-19, will continue to provide market participants with relief from certain other position aggregation requirements in CFTC Regulation 150.4, including:

- Revising the definitional conditions for eligible entities, independent account controllers and commodity trading advisors; and
- Limiting aggregation requirements for the "substantially identical trading strategies" rule to circumstances where positions in more than one account or pool are held in order to willingly attempt to circumvent applicable position limits.

The extension maintains the requirement that, upon request by the CFTC or a designated contract market (DCM), persons qualifying for the relief will have to file a formal written notice with the CFTC or DCM, as requested, within five business days.

Staff noted that the extension will provide the CFTC and DMO with additional time to consider long-term solutions that might require a notice and comment rulemaking in the future.

The CFTC's No-Action Letter 19-19 is available here.

National Law Review, Volume IX, Number 214