

of a contract market when such is not the case, or has used or is using a misleading name which would tend to suggest to the public that the person is affiliated with another person when that is not the case or that the person is engaged in a commodity-related business when the person is not in fact substantially so engaged, or has failed to disclose to the public an agency relationship with another person when such failure could mislead the public; (3) if such person is subject to an outstanding order denying, suspending or revoking the license of such person by a licensing authority, such as a state real estate or insurance commission; and (4) if such person has failed to answer the inquiries or requests for further information concerning an application for registration filed with the Commission.

This listing, of course, is not exclusive. In general, the Commission interprets paragraph (M) to authorize the Commission to affect the registration of any person if, as a result of any act or pattern of conduct attributable to such person, although never the subject of formal action or proceeding before either a court or governmental agency, such person's potential disregard of or inability to comply with the requirements of the Act or the rules, regulations or order thereunder, or such person's moral turpitude, or lack of honesty or financial responsibility is demonstrated to the Commission.

Any inability to deal fairly with the public and consistent with just and equitable principles of trade may render an applicant or registrant unfit for registration, given the high ethical standards which must prevail in the industry.

[49 FR 8224, Mar. 5, 1984, as amended at 58 FR 19597, Apr. 15, 1993; 59 FR 5315, Feb. 4, 1994; 61 FR 58628, Nov. 18, 1996]

PART 4—COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS

Subpart A—General Provisions, Definitions and Exemptions

Sec.

- 4.1 Requirements as to form.
- 4.2 Requirements as to filing.
- 4.3-4.4 [Reserved]
- 4.5 Exclusion for certain otherwise regulated persons from the definition of the term "commodity pool operator."
- 4.6 Exclusion for certain otherwise regulated persons from the definition of the term "commodity trading advisor."
- 4.7 Exemption from certain part 4 requirements with respect to pools whose participants are limited to qualified eligible participants and with respect to com-

modity trading advisors' accounts for clients that are qualified eligible clients.

- 4.8 Exemption from certain requirements of rule 4.26 with respect to pools offered or sold in certain offerings exempt from registration under the Securities Act.
- 4.9 [Reserved]
- 4.10 Definitions.
- 4.11 Exemption from section 4n(3)(B).
- 4.12 Exemption from provisions of part 4.
- 4.13 Exemption from registration as a commodity pool operator.
- 4.14 Exemption from registration as a commodity trading advisor.
- 4.15 Continued applicability of antifraud section.
- 4.16 Prohibited representations.

Subpart B—Commodity Pool Operators

- 4.20 Prohibited activities.
- 4.21 Required delivery of pool Disclosure Document.
- 4.22 Reporting to pool participants.
- 4.23 Recordkeeping.
- 4.24 General disclosures required.
- 4.25 Performance disclosures.
- 4.26 Use, amendment and filing of Disclosure Document.

Subpart C—Commodity Trading Advisors

- 4.30 Prohibited activities.
- 4.31 Required delivery of Disclosure Document to prospective clients.
- 4.32 [Reserved]
- 4.33 Recordkeeping.
- 4.34 General disclosures required.
- 4.35 Performance disclosures.
- 4.36 Use, amendment and filing of Disclosure Document.

Subpart D—Advertising

- 4.40 [Reserved]
- 4.41 Advertising by commodity pool operators, commodity trading advisors, and the principals thereof.

AUTHORITY: 7 U.S.C. 1a, 2, 4, 6b, 6c, 6l, 6m, 6n, 6o, 12a, and 23.

SOURCE: 46 FR 26013, May 8, 1981, unless otherwise noted.

Subpart A—General Provisions, Definitions and Exemptions

§ 4.1 Requirements as to form.

- (a) Each document distributed pursuant to this part 4 must be:
 - (1) Clear and legible;
 - (2) Paginated; and
 - (3) Fastened in a secure manner.
- (b) Information that is required to be "prominently" disclosed under this

part 4 must be displayed in capital letters and in boldface type.

(c) Where a document is distributed through an electronic medium:

(1) The requirements of paragraphs (a) of this section shall mean that required information must be presented in a format that is readily communicated to the recipient. For purposes of this paragraph (c), information is readily communicated to the recipient if it is accessible to the ordinary user by means of commonly available hardware and software and if the electronically delivered document is organized in substantially the same manner as would be required for a paper document with respect to the order of presentation and the relative prominence of information. Where a table of contents is required, the electronic document must either include page numbers in the text or employ a substantially equivalent cross-reference or indexing method or tool;

(2) The requirements of paragraph (b) of this section shall mean that such information must be presented in capital letters and boldface type or, as warranted in the context, another manner reasonably calculated to draw the recipient's attention to the information and accord it greater prominence than the surrounding text; and

(3) A complete paper version of the document that complies with the applicable provisions of this part 4 must be provided to the recipient upon request.

(d) If graphic, image or audio material is included in a document delivered to a prospective or existing client or pool participant, and such material cannot be reproduced in an electronic filing, a fair and accurate narrative description, tabular representation or transcript of the omitted material must be included in the filed version of the document. Inclusion of such material in a Disclosure Document shall be subject to the requirements of §4.24(v) in the case of pool Disclosure Documents, and §4.34(n) in the case of commodity trading advisor Disclosure Documents.

(Approved by the Office of Management and Budget under control number 3038-0005)

[46 FR 26013, May 8, 1981, as amended at 46 FR 63035, Dec. 30, 1981; 62 FR 39115, July 22, 1997]

§ 4.2 Requirements as to filing.

(a) All material filed with the Commission under this part 4 must be filed with the Commission at its Washington, DC office (Att: Special Counsel, Front Office Audit Unit, Division of Trading and Markets, C.F.T.C., Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581); *Provided, however*, that Disclosure Documents and amendments thereto may be filed at an electronic mail address for the Commission, as specified by the Commission.

(b) All such material shall be considered filed when received by the Commission at the address specified in paragraph (a) of this section.

(Approved by the Office of Management and Budget under control number 3038-0005)

[46 FR 26013, May 8, 1981, as amended at 46 FR 63035, Dec. 30, 1981; 60 FR 49334, Sept. 25, 1995; 62 FR 18268, Apr. 15, 1997]

§§ 4.3-4.4 [Reserved]

§ 4.5 Exclusion for certain otherwise regulated persons from the definition of the term "commodity pool operator."

(a) Subject to compliance with the provisions of this section, the following persons, and any principal or employee thereof, shall be excluded from the definition of the term "commodity pool operator" with respect to the operation of a qualifying entity specified in paragraph (b) of this section:

(1) An investment company registered as such under the Investment Company Act of 1940;

(2) An insurance company subject to regulation by any State;

(3) A bank, trust company or any other such financial depository institution subject to regulation by any State or the United States; and

(4) A trustee of, a named fiduciary of (or a person designated or acting as a fiduciary pursuant to a written delegation from or other written agreement with the named fiduciary) or an employer maintaining a pension plan that is subject to title I of the Employee Retirement Income Security Act of 1974; *Provided, however*, That for purposes of this §4.5 the following employee benefit plans shall not be construed to be pools: