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CFTC Proposes to Streamline Form CPO-PQR

The Commodity Futures Trading Commission (“CFTC”) recently issued a [proposal](#) to streamline the reporting requirements on Form PQR applicable to registered commodity pool operators (“CPOs”). Among other things, the proposal would remove the lengthiest and most detailed sections of Form PQR and would unify the CFTC’s version of the Form with the version used by the National Futures Association (“NFA”), which registered CPOs also must file. The CFTC asked CPOs to respond to specific questions, as well as requested comments in general. Comments are due by June 15, 2020.

Attorneys
[Deborah A. Monson](#)
[Jeremy A. Liabo](#)

Form PQR currently consists of a cover page and three schedules. Schedule A, which asks for basic information about the CPO, the pools it operates and service providers, would be revised to delete questions about pool auditors and marketers. Schedule A also would be revised to add the legal entity identifier (“LEI”) of the CPO and its commodity pools, if they are required to have them. Finally, the schedule of investments section currently in Schedule B (question 6) would be made part of Schedule A. Schedule B, which applies to CPOs with at least \$150 million in aggregate pool assets under management, and Schedule C, which applies to CPOs with at least \$1.5 billion in aggregate pool assets under management, both would be eliminated. Schedules B and C currently request specific detailed information about the pools and their operations.¹ As a result of these changes, all CPOs would provide the same types of information, on Form PQR— Schedule A.

In addition to significantly shortening Form PQR, the proposal would eliminate the differences in substance and timing between the CFTC’s Form PQR and the NFA’s Form PQR. Historically, the CFTC and NFA have each had its own version of Form PQR and depending on the CPO’s pool assets under management, different timing requirements for them to be filed. The proposal would allow CPOs to file NFA’s version of Form PQR in lieu of the CFTC’s version, since after these amendments and corresponding amendments to NFA’s version of Form PQR, the Forms would be effectively the same. All CPOs would be required to file Form PQR on a quarterly basis, which is generally the case currently.

Finally, the proposal would eliminate the provision of Rule 4.27(d) that allows a CPO that is a registered investment adviser to list its investment vehicles that are not private funds on Securities and Exchange Commission Form PF instead of on the CFTC’s Form PQR. Under the proposal, these funds would have to be included in the CFTC’s Form PQR. The NFA does not currently accept Form PF in lieu of filing its Form PQR.

The proposal presents a good opportunity for CPOs to share with the CFTC the issues and suggestions they have had in connection with Form PQR over the years, because this is the first time since Form PQR was adopted that the CFTC has asked questions and sought comments from CPOs. Of particular note, these questions include:

- Whether it should rescind Form CPO-PQR in its entirety and require all CPOs to file all or part of Form PF with the NFA?
- Whether investment companies report any additional financial information that addresses concerns underlying the Form that the CFTC has failed to consider in the proposal?
- Are there ways the CFTC could further clarify and refine the reporting instructions for completing the revised Form in order to provide CPOs with greater certainty that they are completing the Form correctly?

¹ Schedules B and C are currently not required if the information is provided on Securities and Exchange Commission Form PF or for funds-of-funds.

- Are there any asset classes that can or should be eliminated from the schedule of investments that currently appear in both the revised Form and NFA PQR?

Please contact [Deborah A. Monson](#), [Jeremy A. Liabo](#), or the Ropes & Gray attorney who usually advises you with any questions you may have or if you would like additional information.