



September 2, 2016

**Via Website Submission**

Christopher Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: RIN 3038 – AE46; Exemption from Registration for Certain Foreign Persons**

Dear Mr. Kirkpatrick:

Managed Funds Association<sup>1</sup> (“**MFA**”) appreciates the opportunity to submit comments to the Commodity Futures Trading Commission (the “**CFTC**” or the “**Commission**”) on its proposed rulemaking concerning an “Exemption from Registration for Certain Foreign Persons” (the “**Proposed Rule**”).<sup>2</sup> MFA supports the adoption of the Proposed Rule, which would provide an exemption to a foreign located person from registration with the CFTC as a futures commission merchant, introducing broker, commodity pool operator (“**CPO**”), or commodity trading advisor (“**CTA**”) for activity in connection with commodity interest transactions solely on behalf of persons located outside the U.S., or on behalf of certain international financial institutions. MFA agrees with the Commission that it should focus its customer protection activities upon domestic firms and upon firms soliciting or accepting orders from domestic participants. Given limited resources, we believe it would be a better and more effective use of the resources and efforts of the Commission and the National Futures Association to focus on overseeing domestic firms or firms targeting U.S. persons as customers. We also do not believe that it is the expectation of foreign customers of foreign CPOs and CTAs for the Commission to oversee the customer protection activities of such foreign firms.

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<sup>1</sup>Managed Funds Association (“**MFA**”) represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent, and fair capital markets. MFA, based in Washington, DC, is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry’s contributions to the global economy. MFA members help pension plans, university endowments, charitable organizations, qualified individuals and other institutional investors to diversify their investments, manage risk, and generate attractive returns. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, North and South America, and many other regions where MFA members are market participants.

<sup>2</sup> 81 Fed. Reg. 51824 (Aug. 5, 2016), available at: <http://www.cftc.gov/idc/groups/public/@lrfederalregister/documents/file/2016-18210a.pdf>.

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Accordingly, MFA supports the adoption of the Proposed Rule as drafted. If the staff has any questions, please do not hesitate to contact Jennifer Han, Associate General Counsel, or the undersigned at (202) 730-2600.

Respectfully submitted,

/s/ Stuart J. Kaswell

Stuart J. Kaswell  
Executive Vice President & Managing Director,  
General Counsel  
Managed Funds Association