

CFTC Issues Interim No-Action Relief for Certain SEC-Registered CPOs and CTAs



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On December 19, 2025, the Commodity Futures Trading Commission (“CFTC”)’s Market Participants Division (“MPD”) issued CFTC Letter No. 25-50, granting interim no-action relief for certain commodity pool operators (CPOs) and commodity trading advisors (CTAs) that are also SEC-registered investment advisers.

This is a meaningful development for managers operating private funds offered exclusively to Qualified Eligible Persons (“QEPs”), as defined under CFTC Rule 4.7.

What the Interim Relief Allows

In practical terms, the relief permits eligible managers to avoid registering or withdraw from registration as a CPO or CTA under the Commodity Exchange Act (“CEA”), provided they meet specific conditions. The relief applies to firms that:

- Are registered with the SEC as investment advisers
- Offer interests in private funds solely under a Regulation D private placement
- Limit investors to QEPs, such as institutions, family offices, and high net wealth individuals
- File Form PF with the SEC (with a copy received by the CFTC) with respect to the pool(s) for which no-action relief is claimed
- Submit a materially complete notification email to the MPD via email to mpdnoaction@cftc.gov.

The relief is effective immediately. Firms meeting these conditions may avoid registering as a CPO or CTA under the CEA or withdraw from current CPO or CTA registration and begin relying on the relief as of the issuance date of December 19, 2025, provided they comply with the no-action letter.

What the Relief Does Not Do

The no-action letter:

- Does not apply to firms that are not SEC registered investment advisers
- Does not reinstate the old Rule 4.13(a)(4) exemption (the “QEP Exemption”)
- Does not provide permanent regulatory relief as it is expressly interim.

Why This Matters for Private Fund Managers

This no-action position is especially relevant to managers who registered with the CFTC solely due to the 2012 rescission of the QEP Exemption. Under the interim relief:

- These firms may now evaluate whether they qualify to deregister
- The CFTC has waived Rule 4.13(e)’s mandatory redemption rights, removing a key barrier to deregistration during this period.

For many advisers, this may represent a meaningful opportunity to streamline regulatory obligations and reduce compliance burdens. Firms that believe they may qualify should evaluate their eligibility promptly and consider whether deregistration aligns with their operational and strategic goals.

Practical Implications and Strategic Next Steps

To help firms evaluate and operationalize this interim relief, consider the following areas of focus:

Conduct a Registration Status Assessment

Before determining whether the relief applies, firms should review the following:

- Review all pools to confirm they are offered solely under Regulation D
- Verify investor eligibility to ensure all participants meet QEP standards
- Confirm SEC registration status and Form PF filing obligations.

Evaluate Whether Deregistration Is Advantageous

When assessing whether to withdraw CPO or CTA registration, firms should consider:

- Whether CFTC registration currently provides operational, marketing, or investor relations benefits
- Whether the firm's trading strategies or use of derivatives may require future CFTC oversight regardless of this relief.

Prepare and Submit the MPD Notification

To rely on the no action relief, firms must ensure the following steps are completed:

- Ensure the notification email is materially complete, accurate, and consistent with Form PF disclosures
- Maintain internal documentation supporting reliance on the relief.

Update Compliance Policies and Disclosures

If a firm elects to deregister, compliance documentation should be updated accordingly:

- Revise compliance manuals, Form ADV, and investor materials to reflect changes in regulatory status
- Coordinate with fund counsel to ensure offering documents remain accurate.

Monitor for Permanent Rulemaking

Because this relief is interim, firms should stay alert to potential long term regulatory changes:

- Track CFTC rulemaking agendas
- Monitor industry comment letters
- Prepare for potential reinstatement, modification, or replacement of the former QEP Exemption.

Communicate Proactively With Investors

Clear communication can help manage expectations and avoid confusion:

- Provide explanations of what deregistration means—and does not mean—for fund operations
- Emphasize that the relief is interim, and future regulatory changes may require adjustments.

How Waystone Can Help

At Waystone, our [US Compliance Solutions](#) team regularly support managers in assessing exemption eligibility, preparing regulatory filings, and managing transitions in and out of CFTC registration.

If you have questions about how this relief might apply to your firm or funds or want help navigating the process, please reach out to your usual Waystone representative or contact us via the link below.

[Contact us](#) →