

COMMITTEE ON CAPITAL MARKETS REGULATION

October 5, 2026

Christopher Kirkpatrick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

VIA ELECTRONIC PORTAL

Re: Commodity Pool Operators and Commodity Trading Advisors: Reduction of Duplicative Regulation Through Intermediary Registration Exemptions; Expansion of the Exemption for Small Commodity Pools (RIN 3038–AF78)

Dear Mr. Kirkpatrick:

The Committee on Capital Markets Regulation (“Committee”) offers these comments to the Commodity Futures Trading Commission (“CFTC”) on its proposed rule “Commodity Pool Operators and Commodity Trading Advisors: Reduction of Duplicative Regulation Through Intermediary Registration Exemptions; Expansion of the Exemption for Small Commodity Pools” (the “Proposal”).¹

Founded in 2006, the Committee is dedicated to enhancing the competitiveness of U.S. capital markets and ensuring the stability of the U.S. financial system. Our membership includes forty-six leaders drawn from the finance, investment, business, law, accounting, and academic communities. The Committee is chaired jointly by R. Glenn Hubbard (Emeritus Dean, Columbia Business School) and John L. Thornton (Former Chairman, The Brookings Institution) and is led by Hal S. Scott (Emeritus Nomura Professor of International Financial Systems at Harvard Law School and President of the Program on International Financial Systems). The Committee is an independent and nonpartisan 501(c)(3) research organization, financed by contributions from individuals, foundations, and corporations.

The Proposal would codify an exemption from CFTC registration for advisers that are registered with the Securities and Exchange Commission (“SEC”) that also advise commodity derivatives funds that are exclusively offered to sophisticated investors. If approved, the Proposal would supersede a December 2025 no-action letter from the CFTC’s Market Participants Division

¹ CFTC, *Commodity Pool Operators and Commodity Trading Advisors: Reduction of Duplicative Regulation Through Intermediary Registration Exemptions; Expansion of the Exemption for Small Commodity Pools*, 91 FED. REG. 54,264 (Aug. 21, 2026), <https://www.federalregister.gov/documents/2026/08/21/2026-17079/commodity-pool-operators-and-commodity-trading-advisors-reduction-of-duplicative-regulation-through>.

indicating that it will not recommend enforcement action against such advisers for failure to register or withdrawing from registration with the CFTC.²

The Committee has previously written in support of eliminating dual SEC-CFTC registration for advisers to private funds that are registered with the SEC, as dual registration imposes significant and unnecessary costs on market participants without providing corresponding benefits.³ As we have explained, following more than a decade of experience with dual registration, it has become clear that the CFTC and National Futures Association regulatory compliance frameworks do not meaningfully advance public policy goals beyond the SEC's comprehensive registration and compliance framework. The SEC's framework adequately protects investors and clients of private fund advisers with respect to their commodity derivatives investments. It also provides the CFTC with sufficient transparency into the activities of these funds to enable the CFTC to carry out its oversight responsibilities regarding the derivatives markets. Dual registration has instead increased costs for investors, interfered with ordinary private fund business arrangements, and imposed conflicting, unnecessary, and redundant compliance and administrative obligations on private fund advisers. In addition, as the CFTC has previously recognized, exempting private fund advisers removes "barriers to participation in the commodity interest markets, resulting in greater liquidity and market efficiency."⁴

The Committee therefore recommends the CFTC adopt the Proposal to codify the registration exemption for private fund advisers that are registered with the SEC.

² CFTC Staff, *No-Action Letter No. 25-50 Re: No-Action Position for Commodity Pool Operator Registration for Certain Investment Managers to Qualified Eligible Persons* (Dec. 19, 2025), <https://www.cftc.gov/csl/25-50/download>.

³ COMMITTEE ON CAPITAL MARKETS REGULATION, *Letter to CFTC Re: Ending CFTC Registration for SEC-Registered Private Fund Advisers* (Oct. 27, 2025), <https://capmktreg.org/wp-content/uploads/2025/10/CCMR-Letter-to-CFTC-Re.-Dual-Registration-10.27.25-1.pdf>.

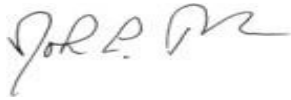
⁴ CFTC, *Additional Registration and Other Regulatory Relief for Commodity Pool Operators and Commodity Trading Advisers; Past Performance Issues*, 68 FED. REG. 47,221, 47,230 (Aug. 8, 2003), <https://www.federalregister.gov/documents/2003/08/08/03-20094/additional-registration-and-other-regulatory-relief-for-commodity-pool-operators-and-commodity>.

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Thank you very much for your consideration of the Committee's position. Should you have any questions or concerns, please do not hesitate to contact the Committee's President, Professor Hal S. Scott (hscott@capmksreg.org) or its Executive Director, John Gulliver (jgulliver@capmksreg.org) at your convenience.

Respectfully submitted,



John L. Thornton
CO-CHAIR



Hal S. Scott
PRESIDENT



R. Glenn Hubbard
CO-CHAIR