Section 4.7 of Commodity Future [Trading Commission](http://www.articlesbase.com/investing-articles/are-there-exemptions-from-registration-as-a-commodity-pool-operator-for-a-small-hedge-fund-758461.html) Rules provides for certain exemptions from certain requirements with respect to commodity pool operators making offerings to qualified eligible persons or commodity trading advisors with respect to advising qualified eligible persons. **Under Section 4.7, the pool operator is exempted from certain disclosure compliance requirements**. Specifically, Section 4.21 with respect to required delivery of a pool disclosure document, Section 4.24 with respect to the contents of the disclosure document in general, Section 4.25 with respect to requirements relating to the disclosure of past performance and Section 4.26 with regard to use amendment and filing of a disclosure document. The Section 4.7 exemption is not an exemption from registration as a commodity pool operator or commodity trading advisor.

**Section 4.13 generally provides for exemption from registration as a commodity pool operator**. Before its amendment in August of 2003, a person was not required to register as a commodity pool operator if the person did not receive any compensation or payment directly or indirectly; operated only one commodity pool at a time; was not otherwise required to register with the commission; and either the person or other person involved with the pools does any advertising in connection with the pool or to the total gross capital contributions for participation units in all pools that are operated, or intends to operate, do not in the aggregate exceed $400,000 and none of the pools operated have more than 15 participants. This is referred to as the "small pool exemption."

Section 4.13(a)(3) generally provides for exemption from registration as a commodity pool operator where: Aggregate initial margin and premiums do not exceed 5% of the liquidation value of the portfolio and the aggregate net motional value of the positions does not exceed 100% of the liquidation value of the pool [portfolio](http://www.articlesbase.com/investing-articles/are-there-exemptions-from-registration-as-a-commodity-pool-operator-for-a-small-hedge-fund-758461.html).

Section 4.13(a)(4) generally provides for exemption from registration as a commodity pool operator where: The person reasonably believes, at the time of investment (or, in the case of an existing pool, at the time of conversion to a pool meeting the criteria of paragraph (a)(4) of this section), that: (A) Each natural person participant (including such person's self-directed employee benefit plan, if any), is a "qualified eligible person," as that term is defined in section 4.7(a)(2); ***This exemption can not be claimed if the natural person participants only meet the 4.7(a)(3) portfolio requirement.***

Read more: <http://www.articlesbase.com/investing-articles/are-there-exemptions-from-registration-as-a-commodity-pool-operator-for-a-small-hedge-fund-758461.html#ixzz168ROKWnw>
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