

Alert

CFTC — Coronavirus Update for Commodity Pool Operators — Branch Office Relief

March 15, 2020

On Friday, March 13, 2020, the National Futures Association, recognizing that the coronavirus disease 2019 (COVID-19) outbreak “may necessitate alternative work arrangements,” issued relief¹ for commodity pool operators, commodity trading advisors, and other NFA members that have to shift to work-from-home or other distributed workplace arrangements as a result of this public health emergency.

The guidance states that the NFA “will not pursue a disciplinary action” against a CPO or a CTA that permits or requires its associated persons “to temporarily work from locations not listed as a branch office and without a branch manager[.]” (Business locations at which solicitation is not conducted are generally not deemed to be “branch offices.”)

This relief, however, requires:

- That the CPO or CTA implement “alternative supervisory methods to adequately supervise” the activities of its associated persons and satisfy the CPO’s or CTA’s recordkeeping requirements; and
- That the associated persons return to the normal office location once the CPO or CTA is no longer operating under its business continuity plan.

The NFA relief also expressly urges members to ensure that these “alternative supervisory methods” are documented.

We expect that many CPOs will be taking advantage of this relief, which does not require any filings or notifications. Those CPOs should ensure that they have implemented, and can document, the supervisory measures employed during this interim period.

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If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or one of the authors.

¹ See Interpretive Notice I-20-12: Coronavirus Update—NFA Branch Office Requirements (March 13, 2020), available [here](#).

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