



A General Guide to becoming a Commodity Trading Advisor (“CTA”)

The following is a general guide to registration as a CTA. There are four parts that must be satisfied to gain successful registration: **(1)** Forms and NFA Fees, **(2)** Compiling Performance Tables **(3)** Preparation of a Disclosure Document **(4)** Preparation of written procedures and policies.

(1) Forms and NFA Fees

- Form 7R, Completed and filed on behalf of the firm
- Form 8R, Completed and filed on behalf of each principal of your firm
- Finger print cards for each principal
- Series 3 for each principal who is required to be an Associated Person

(2) Compiling Past Performance Tables

- Actual performance for the last 5 years
- Proforma tables based on notional trading levels and/or fee structures
- Proprietary trading
- Hypothetical trading

(3) Preparation and Submission of Disclosure Document

A CTA Disclosure Document must be prepared and submitted to NFA prior to trading.

The disclosure document outlines the following:

- Risk of trading and background information
- Fee structures and conflicts of interest
- Past performance and types of trading programs available

(4) Preparation of Written Procedures and Policies

The following written operational procedures and written policies must be prepared:

- General Operating Procedures incorporating NFA Rule 2-29, NFA Rule 2-30, etc.
- Business Continuity and Disaster Recovery Plan
- Ethics Training Policy
- Privacy Policy

A General Guide to becoming a Commodity Pool Operator (“CPO”)

The following is a general guide to registration as a CPO. There are four parts that must be satisfied to gain successful registration: **(1)** Forms and NFA Fees, **(2)** Performance Tables **(3)** Preparation of a Disclosure Document **(4)** Preparation of written procedures and policies.

(1) Forms and NFA Fees

- Form 7R, Completed and filed on behalf of the firm
- Form 8R, Completed and filed on behalf of each principal of your firm
- Finger print cards for each principal
- Series 3 for each principal who is required to be an Associated Person

(2) Compiling Past Performance Tables

- Actual performance for the last 5 years
- Proforma tables based on notional trading levels and/or fee structures
- Hypothetical trading

(3) Preparation and Submission of Offering Documents

An offering document for each fund needs to be prepared and submitted to NFA prior to trading. Also when preparing the offering document you should consider each states Blue Sky requirements and the applicable securities regulations. The offering document outlines the following:

- Risk of trading and background information
- Fee structures and conflicts of interest
- Past performance and types of trading programs available

(4) Preparation of Written Procedures and Policies

The following written operational procedures and written policies must be prepared:

- General Operating Procedures incorporating NFA Rule 2-29, NFA Rule 2-30, etc.
- Business Continuity and Disaster Recovery Plan
- Ethics Training Policy
- Privacy Policy

For questions and more information call Mike Coglianese at 630-461-5841 or visit the website at cogcpa.com.