

[DISCUSSION DRAFT]

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To exempt charitable organizations from commodity trading regulations and  
registration requirements.

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IN THE HOUSE OF REPRESENTATIVES

Mrs. McCLAIN DELANEY introduced the following bill; which was referred to  
the Committee on \_\_\_\_\_

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**A BILL**

To exempt charitable organizations from commodity trading  
regulations and registration requirements.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “CFTC Charitable Or-  
5       ganization Exemption Act of 2025”.

1 **SEC. 2. EXEMPTION OF QUALIFIED CHARITABLE ORGANI-**  
2 **ZATIONS FROM REGULATION AS COMMODITY**  
3 **POOL OPERATORS.**

4 Section 4m of the Commodity Exchange Act (7  
5 U.S.C. 6m) is amended to read as follows:

6 **“SEC. 4m. USE OF MAILS OR OTHER MEANS OR INSTRU-**  
7 **MENTALITIES OF INTERSTATE COMMERCE**  
8 **BY COMMODITY TRADING ADVISORS AND**  
9 **COMMODITY POOL OPERATORS.**

10 “(a) PROHIBITION.—It shall be unlawful for any  
11 commodity trading advisor or commodity pool operator,  
12 unless registered under this Act, to make use of the mails  
13 or any means or instrumentality of interstate commerce  
14 in connection with business as the commodity trading ad-  
15 visor or commodity pool operator.

16 “(b) EXCEPTIONS.—

17 “(1) IN GENERAL.—Subsection (a) shall not  
18 apply to a commodity trading advisor whose com-  
19 modity trading advice is solely incidental to the con-  
20 duct of that person’s business, and who is a—

21 “(A) dealer, processor, broker, or seller in  
22 cash market transactions of any commodity  
23 specifically set forth in section 2(a) of this Act  
24 before the enactment of the Commodity Fu-  
25 tures Trading Commission Act of 1974 (or  
26 products thereof); or

1 “(B) nonprofit, voluntary membership,  
2 general farm organization, that provides advice  
3 on the sale or purchase of any commodity spe-  
4 cifically set forth in section 2(a) of this Act be-  
5 fore the enactment of the Commodity Futures  
6 Trading Commission Act of 1974.

7 “(2) CHARITABLE ORGANIZATION.—Subsection  
8 (a) shall not apply to any commodity trading advisor  
9 or commodity pool operator that is—

10 “(A) a charitable organization, as defined  
11 in section 3(c)(10)(D) of the Investment Com-  
12 pany Act of 1940 (15 U.S.C. 80a–3(c)(10)(D)),  
13 or a trustee, director, officer, employee, or vol-  
14 unteer of such a charitable organization acting  
15 within the scope of the employment or duties of  
16 the person with the organization, whose advi-  
17 sory or pool activities are conducted only on be-  
18 half of, or with respect to, 1 or more of—

19 “(i) any such charitable organization;  
20 or

21 “(ii) an investment trust, syndicate,  
22 or similar form of enterprise excluded from  
23 the definition of ‘investment company’ pur-  
24 suant to section 3(c)(10) of the Investment  
25 Company Act of 1940 (15 U.S.C. 80a–

1                   3(c)(10)), or the trustees, administrators,  
2                   settlers (or potential settlers), or bene-  
3                   ficiaries of the foregoing; or

4                   “(B) any plan, company, or account de-  
5                   scribed in section 3(c)(14) of the Investment  
6                   Company Act of 1940 (15 U.S.C. 80a-  
7                   3(c)(14)), any person or entity who establishes  
8                   or maintains such a plan, company, or account,  
9                   or any trustee, director, officer, employee, or  
10                  volunteer for any of the foregoing plans, per-  
11                  sons, or entities acting within the scope of the  
12                  employment or duties of the person with the or-  
13                  ganization, whose advisory or pool activities are  
14                  conducted only on behalf of, or with respect to,  
15                  any investment trust, syndicate, or similar form  
16                  of enterprise excluded from the definition of ‘in-  
17                  vestment company’ pursuant to section 3(c)(14)  
18                  of the Investment Company Act of 1940 (15  
19                  U.S.C. 80a-3(c)(14)).

20                  “(3) SMALL COMMODITY TRADING ADVISORS.—  
21                  Subsection (a) shall not apply to any commodity  
22                  trading advisor who, during the course of the pre-  
23                  ceding 12 months, has not furnished commodity  
24                  trading advice to more than 15 persons and who

1 does not hold themselves out generally to the public  
2 as a commodity trading advisor.

3 “(4) SEC-REGISTERED.—

4 “(A) IN GENERAL.—Subsection (a) shall  
5 not apply to any commodity trading advisor  
6 that is registered with the Securities and Ex-  
7 change Commission as an investment adviser  
8 whose business does not consist primarily of  
9 acting as a commodity trading advisor and that  
10 does not act as a commodity trading advisor to  
11 any commodity pool that is primarily engaged  
12 in trading commodity interests.

13 “(B) ENGAGED PRIMARILY.—For purposes  
14 of this paragraph, a commodity trading advisor  
15 or a commodity pool shall be considered to be  
16 ‘engaged primarily’ in the business of being a  
17 commodity trading advisor or commodity pool if  
18 it is or holds itself out to the public as being  
19 engaged primarily, or proposes to engage pri-  
20 marily, in the business of advising on com-  
21 modity interests or investing, reinvesting, own-  
22 ing, holding, or trading in commodity interests,  
23 respectively.

24 “(C) COMMODITY INTERESTS.—For pur-  
25 poses of this paragraph, commodity interests

1           shall include contracts of sale of a commodity  
2           for future delivery, options on such contracts,  
3           security futures, swaps, leverage contracts, for-  
4           eign exchange, spot and forward contracts on  
5           physical commodities, and any monies held in  
6           an account used for trading commodity inter-  
7           ests.

8           “(5) SUBJECT TO PROCEEDINGS.—A person de-  
9           scribed in paragraphs (1) and (2) shall be subject to  
10          proceedings under section 14.

11          “(c) RELATIONSHIP TO OTHER LAW.—Nothing in  
12          this Act shall relieve any person of any obligation or duty,  
13          or affect the availability of any right or remedy available  
14          to the Securities and Exchange Commission or any private  
15          party arising under the Securities Act of 1933 (15 U.S.C.  
16          77a et seq.) or the Securities Exchange Act of 1934 (15  
17          U.S.C. 78a et seq.) governing the issuance, offer, pur-  
18          chase, or sale of securities of a commodity pool, or of per-  
19          sons engaged in transactions with respect to the securities,  
20          or reporting by a commodity pool.

21          “(d) DISCLOSURE CONCERNING EXEMPTED CHARI-  
22          TABLE ORGANIZATIONS.—A commodity trading advisor or  
23          commodity pool operator that is an organization or person  
24          described in subsection (b)(2)(A) of this section to or of  
25          any investment trust, syndicate, or similar form of enter-

1   prise excluded from the definition of ‘investment company’  
2   pursuant to section 3(c)(10)(B) of the Investment Com-  
3   pany Act of 1940 (15 U.S.C. 80a–3(c)(10)(B)) shall pro-  
4   vide disclosure in accordance with section 7(e) of that Act  
5   (15 U.S.C. 80a–7(e)).”.