

BARNEGAT FUND MANAGEMENT, INC.
525 Park Avenue
Hoboken, New Jersey 07030
(201) 217-5625

April 13, 2022

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: **File No. S7-03-22; Release No. IA-5955**

Dear Madam or Sir:

Barnegat Fund Management, Inc. is registered with the SEC as an investment adviser (SEC File No. 801-74067) and with the U.S. Commodity Futures Trading Commission (“CFTC”) and the National Futures Association (“NFA”) as a Commodity Pool Operator and a Commodity Trading Advisor. We are the investment adviser for two private funds, a feeder fund named Barnegat Investments Limited and a master fund named Barnegat Fund Limited. I am writing to comment on the SEC proposed rules described in Release No. IA-5955, File No. S7-03-22.

As a registered Commodity Pool Operator, we are required by CFTC Regulation 4.22(c) (17 CFR § 4.22(c)) to distribute an Annual Report to each participant in each pool that we operate (i.e., Barnegat Investments Limited and Barnegat Fund Limited) and to submit a copy of the Annual Report to the NFA.

CFTC Regulation 4.22(d)(1) (17 CFR § 4.22(d)(1)) provides that the financial statements in the Annual Report distributed to each pool participant and submitted to the NFA must be presented and computed in accordance with United States generally accepted accounting principles consistently applied and must be audited by an independent public accountant. However, CFTC Regulation 4.22(d)(2)(i) (17 CFR § 4.22(d)(2)(i)) provides that where a commodity pool is organized in a jurisdiction other than the United States, the financial statements in the Annual Report may be presented and computed in accordance with the generally accepted accounting principles, standards or practices followed in such other jurisdiction, provided that:

(A) The other jurisdiction follows accounting principles, standards or practices set forth in CFTC Regulation 4.22(d)(2)(ii) (17 CFR § 4.22(d)(2)(ii)) and the Annual Report presents and computes the financial statements of the pool in accordance with the applicable accounting principles, standards or practices followed by such other jurisdiction;

(B) The Annual Report includes a condensed schedule of investments, or, if required by the applicable accounting principles, standards or practices followed by such other jurisdiction, a full schedule of investments;

(C) The Annual Report reports special allocations of ownership equity in accordance with CFTC Regulation 4.22(e)(2) (17 CFR § 4.22(e)(2));

(D) The Disclosure Document or offering memorandum for the pool identifies the accounting principles, standards or practices of the other jurisdiction pursuant to which the Annual Report presents and computes the financial statements of the pool; and

(E) Where the accounting principles, standards or practices of the other jurisdiction require consolidated financial statements for the pool, such as a feeder fund consolidating with its master fund, all applicable disclosures required by United States generally accepted accounting principles for the feeder fund must be presented with the reporting pool's consolidated financial statements.

CFTC Regulation 4.22(d)(2)(ii) (17 CFR § 4.22(d)(2)(ii)) permits the following alternative accounting principles, standards or practices to be employed in the preparation and computation of the financial statements in the Annual Report of a commodity pool provided such alternative accounting principles, standards or practices are those followed by the jurisdiction other than the United States in which the commodity pool is organized:

- (1) International Financial Reporting Standards;
- (2) Generally Accepted Accounting Practice in the United Kingdom;
- (3) New Irish Generally Accepted Accounting Practice;
- (4) Luxembourg Generally Accepted Accounting Principles; or
- (5) Canadian Generally Accepted Accounting Principles.

The funds we advise, Barnegat Investments Limited and Barnegat Fund Limited, are incorporated in Bermuda. As permitted under CFTC Regulation 4.22(d)(2)(i) and (ii) (17 CFR § 4.22(d)(2)(i) and (ii)), the financial statements in the Annual Report for Barnegat Investments Limited and Barnegat Fund Limited that are distributed to each participant in Barnegat Investments Limited and submitted to the NFA are presented and computed in accordance with International Financial Reporting Standards.

Under proposed 17 CFR § 275.206(4)-10(c), financial statements of private funds organized under non-U.S. law would (a) have to be prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) or (b) contain information substantially similar to statements prepared in accordance with U.S. GAAP and material differences with U.S. GAAP would have to be reconciled.

We are concerned that requiring that the financial statements of the private funds we advise, which are not prepared in accordance with U.S. GAAP, contain information substantially similar to statements prepared in accordance with U.S. GAAP and that material differences with U.S. GAAP be reconciled may cause confusion to the participants in the private funds we advise who are not accustomed to the requirement that material differences with U.S. GAAP be reconciled. As a result, we request that the proposed rules be modified to reflect that, in the case of a private fund that is also registered as a commodity pool with the CFTC and the NFA, the private fund's financial statements be permitted to be prepared in accordance with the accounting principles, standards or practices referred to in CFTC Regulation 4.22(d)(2)(ii) (17 CFR § 4.22(d)(2)(ii)) (i.e., International Financial Reporting Standards; Generally Accepted Accounting Practice in the United Kingdom; New Irish Generally Accepted Accounting Practice; Luxembourg Generally Accepted Accounting Principles; or Canadian Generally Accepted Accounting Principles) provided the requirements of CFTC Regulation 4.22(d)(2)(i) (17 CFR § 4.22(d)(2)(i)) referenced above are met.

Thank you for your attention to the foregoing.

Very truly yours,



BRIAN DAVIS
Chief Compliance Officer