

January 30, 2020

CFTC Approves Two Proposed Rules at January 30 Open Meeting

Position Limits Proposal Advances After Long Delay

Washington, D.C. — The Commodity Futures Trading Commission at its open meeting today approved a proposed rule on position limits for derivatives and a proposed rule amending certain Swap Execution Facilities (SEF) requirements and real-time reporting requirements.

[Proposed Rule: Position Limits for Derivatives](#)

On a 3-2 vote, the Commission approved a proposal for new and amended regulations concerning speculative position limits to conform to the Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) amendments to the Commodity Exchange Act.

The proposal included new and/or amended federal spot month limits for 25 physical commodity derivatives and physically-settled and linked cash-settled futures, options on futures, and economically equivalent swaps for such commodities. The proposal includes certain exemptions from position limits, such as a revised definition of “bona fide hedging transactions or positions” and an expanded list of enumerated bona fide hedges to cover additional hedging practices.

In addition, the proposal establishes a new process that would streamline requests for bona fide hedge exemptions for both exchange-set and federal position limit requirements. The proposal also eliminates multiple duplicative reporting requirements for information currently available to the Commission from the exchanges.

This proposed rule has a 90-day comment period ending on April 29, 2020.

[Proposed Rule: Amendments to Certain Swap Execution Facility Requirements and Real-Time Reporting Requirements](#)

The Commission unanimously approved a proposed rule to amend certain rules in parts 36, 37, and 43 of CFTC regulations relating to the execution of package transactions on SEFs; the execution of block trades on SEFs; and the resolution of error trades on SEFs. These matters are currently the subject of relief in certain no-action letters from Commission staff.

This proposed rule has a 60-day comment period following publication in the Federal Register.

Additional information on the two rulemakings, including statements of the Chairman and the Commissioners, is available [here](#).