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## **CFTC Position Limits Rule Hits Federal Register**

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**Provided by:**



Today, the U.S. Commodity Futures Trading Commission’s final rule, Position Limits for Derivatives, was published in the Federal Register. The final rule’s effective date is 60 days from day: Monday, March 15. Below are two charts included in the final rule that provide some guidance on the effective date and compliance dates for market participants and exchanges.

### **Effective Date**

All final rule provisions are effective on the “ <u>Effective Date</u> .”	The Effective Date is 60 days after the final rule’s publication in the Federal Register – <b>Monday, March 15</b> .
For example, because all of the final rule’s provisions are effective on the Effective Date, this means, market participants may immediately avail themselves on the Effective Date of: <ul style="list-style-type: none"><li>• The new enumerated bona fide hedge and spread exemptions.</li><li>• The higher federal position limits for nine legacy agricultural contracts.</li></ul>	

### **Compliance Date**

<b>For Market Participants</b>	
Market participants must comply with federal position limits for the 16 non-legacy core referenced futures contracts that are subject to federal position limits for the first time under the final rule.	No later than January 1, 2022.

Market participants must comply with federal position limits for economically equivalent swaps.	No later than January 1, 2023.
Positions based on previously granted risk management exemptions must be reduced to levels that comply with the applicable federal position limits.	No later than January 1, 2023.
Until the applicable exchange that lists a given referenced contract implements § 150.5 under the final rule, market participants, if using bona fide hedges for federal position limit purposes, must continue to provide the Commission with Form 204 and Parts I and II of Form 304 to the Commission consistent with the status quo.	Exchanges must implement § 150.5 no later than January 1, 2022.
<b>For Exchanges</b>	
Exchanges must comply with the processes and procedures in connection with § 150.5 (exchange-set position limits and exemptions therefrom).	No later than January 1, 2022.
Exchanges may implement the processes and procedures in connection with §150.9, including with respect to processing market participant applications for purposes of non-enumerated bona fide hedge exemptions for federal position limit purposes.	Implementation of § 150.9 is voluntary for exchanges.  Exchanges may implement as soon as the Effective Date or any time thereafter (or they may choose not to implement at all).
Enforcement of exchange-set position limits on economically equivalent swaps.	No earlier than January 1, 2023.  In two years, the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms to implement DCM Core Principle 5 and Swap Execution Facility (“SEF”) Core Principle 6 with respect to swaps.