



CFTC FINAL RULE ON POSITION LIMITS IMPLEMENTATION DATES

Effective Date

<p>All final rule provisions are effective on the <u>“Effective Date.”</u></p>	<p>The Effective Date is 60 days after the final rule’s publication in the Federal Register.</p> <p>The final rule has not yet been published, but its publication is anticipated to occur within the next several weeks.</p>
<p>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:</p> <ul style="list-style-type: none"> • The new enumerated bona fide hedge and spread exemptions. • The higher federal position limits for nine legacy agricultural contracts.¹ 	

Compliance Date

For Market Participants	
<p>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.</p>	<p>No later than January 1, 2022.</p>
<p>Market participants must comply with federal position limits for economically equivalent swaps.</p>	<p>No later than January 1, 2023.</p>
<p>Positions based on previously-granted risk management exemptions must be reduced to levels that comply with the applicable federal position limits.</p>	<p>No later than January 1, 2023.</p>

¹ Exchange-set position limits will remain at current levels unless and until the relevant exchange submits a rule amendment pursuant to part 40 of the Commission’s regulations to amend the relevant exchange-set position limit.

<p>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.</p>	<p>Exchanges must implement § 150.5 no later than January 1, 2022.</p>
<p>For Exchanges</p>	
<p>Exchanges must comply with the processes and procedures in connection with § 150.5 (exchange-set position limits and exemptions therefrom).</p>	<p>No later than January 1, 2022.</p>
<p>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.</p>	<p>Implementation of § 150.9 is voluntary for exchanges.</p> <p>Exchanges may implement as soon as the Effective Date or any time thereafter (or they may choose not to implement at all).</p>
<p>Enforcement of exchange-set position limits on economically equivalent swaps.</p>	<p>No earlier than January 1, 2023.</p> <p>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.</p>