

CFTC issues supplement modifying position limits proposal

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On May 26 2016 the US Commodity Futures Trading Commission (CFTC) issued for public comment a [supplement](#) to its position limits proposal of December 2013. The supplement would permit exchanges to recognise, subject to CFTC review, certain positions in commodity derivative contracts as non-enumerated *bona fide* hedges or enumerated anticipatory *bona fide* hedges, as well as to exempt certain spread positions from federal position limits.

In a [statement](#) issued concurrently with the proposed rule, CFTC Chairman Timothy Massad noted that the proposed supplemental rule is a critical piece of the CFTC's effort to finalise rules on position limits in 2016.

In a separate [statement](#), CFTC Commissioner Christopher Giancarlo also voiced support for the proposal, stating that the proposal reflects practical realities by recognising that most exchanges do not have access to sufficient swap position information to effectively monitor swap position limits.

If adopted, the proposed supplement would relieve designated contract markets and swap execution facilities from setting and monitoring exchange limits on swaps until designated contract markets and swap execution facilities have access to data that would enable them to do so.

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