

## CFTC Adopts Final Position Limits for 28 Physical Commodity Futures, Options, and Swaps

November 7, 2011 | Client Update

On October 18, 2011, a divided CFTC approved final rules that establish position limits for 28 exempt (metals and energy) and agricultural commodities. The rules cover futures and options contracts on these commodities and swaps, futures, and options that are economically equivalent to those contracts. Dissenting CFTC Commissioners Sommers and O'Malia each voiced strong concerns about the economic basis for the rule, the effectiveness of the rule in addressing price volatility, and the impact of the new bona fide hedging definition upon legitimate risk-reducing strategies. Nonetheless, the rules were adopted and will become effective 60 days after their publication in the Federal Register.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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