

CFTC

Division of Market Oversight

Bona Fide Hedging Position (BFH)

1. Historical perspective on BFH
2. Dec. 2013 proposed definition

Historical Perspective on BFH

1. Defined in statute prior to 1974
2. Current definition established in Regulation 1.3(z) in 1977
3. Dodd-Frank directs a definition
4. Dec. 2013 proposed definition

Dec. 2013 Proposal

1. Temporary substitute test
2. Economically appropriate test
3. Change in value requirement
4. Pass-through swap offset
5. New enumerated exemptions
6. Section 4a(a)(7) exemptive authority